



EMBAJADA
DE ESPAÑA

OFICINA ECONÓMICA
Y COMERCIAL DE ESPAÑA
ALMATY

REVISTA DE PRENSA

21 de enero de 2016

Kazajistán



Kazakhstan cuts oil production

Kazakhstan produced 79.5 million tons of oil in 2015, including gas condensate, which is 1.7 percent less than in 2014, the Statistics Committee of the Kazakh National Economy Ministry said.

Gasoline production decreased by 4.9 percent – up to 2.9 million tons in 2015 in Kazakhstan.

Production of gas oil (diesel) decreased by 9.6 percent – up to 4.6 million tons in the reporting period.

Earlier, Kazakhstan's Energy Minister Vladimir Shkolnik said that oil production is planned to reach 77 million tons in 2016.

The proven oil reserves in Kazakhstan amounted to 30 billion barrels at the beginning of 2015, according to BP's statistical review.

Fuente: www.trend.az

Kazakhstan increases gas production

Kazakhstan increased gas production by 5.2 percent in 2015 compared to 45.713 billion cubic meters (bcm) in 2014, the Statistics Committee of the Kazakh National Economy Ministry said.



Thus, gas production in gaseous state amounted to 21.635 bcm in the last year in Kazakhstan, and the associated gas - to 23.827 bcm.

Production of coal, including coal concentrate decreased by 6.4 percent - up to 107.189 million tons in 2015 in Kazakhstan.

Production of lignite (brown coal) decreased by 20 percent - up to 5.513 million tons in the reporting period.

Fuente: www.trend.az

Kazakhstan increases uranium production in 2015

Kazakhstan increased uranium production up to 23.8 million tons in 2015, Kazakhstan's national atomic company Kazatomprom said Jan. 18.

Kazakhstan produced 22,829 tons of uranium in 2014.

Thus, Kazakhstan maintained its positions of the largest producer of uranium in the world, the statement said.

During this period Kazatomprom (including interests in subsidiaries and affiliates) produced 13,000 tons of uranium, the statement said.

Ulba Metallurgical Plant (Kazatomprom's subsidiary) produced 141,251 tons of tantalum products, 96,944 tons of niobium products and 1,687 tons of beryllium products in the reporting period.

Mangistau Atomic Power Plant - Kazatomprom generated over 4.89 billion kilowatt / hours of electricity, 3.592 million Gcal of heat energy, 1.214 bcm, including 11.397 mcm of drinking water in 2015.

Uranium Enrichment Center produced the enriched uranium in excess of 5.107 million separative work units in 2015.

Fuente: www.trend.az

First convoy of 8 Ukrainian vehicles set out to Kazakhstan via Russia

A first convoy consisting of eight Ukrainian vehicles set out on Tuesday, January 19, to deliver goods to Kazakhstan via Russia, Ukrainian Deputy Economic Development and Trade Minister and Ukraine's Trade Representative Nataliya Mykolska said at a briefing in Kyiv on Tuesday.



"From January 11, all transit vehicles are redirected via Belarus. When they get to Russia's territory, they have to wait. They have been standing waiting for [the formation of] a convoy, the Glonass system and identification seals. Now, the first eight cars have set out with a convoy across Russia's territory. We're monitoring them to see whether our cars could move farther and whether they reach their destination, having crossed the Russian border with Kazakhstan," she said.

In her words, the convoy rate is \$350 per vehicle, and there are about 7-8 Ukrainian vehicles in the convoy. According to preliminary information from exporters, such convoys will be dispatched every day, she said.

"What is important is that Russia continues to invent obstacles to our exports, as they've put forward new requirements, saying that Ukrainian drivers in Ukrainian cars could get to Russia's territory only through direct checkpoints rather than those located in Belarus. Which means that when our drivers get to Belarus and then they want to enter Russia, they are refused entry into Russia, which offers Russian drivers instead," Mykolska said.

In her words, new facts of the confirmation of Russian aggression appear every day.

She also said that she was informed on January 18 that Russia had sent 197 railway cars back to Ukraine, of them 129 cars were redirected back via Belarus, and 21 cars have been waiting for further notice.

On January 1, Russia's government introduced limitations on transit shipments of Ukrainian freight from Ukraine to Kazakhstan via Russian territory: freight should be transported via Belarus and only two checkpoints at the Belarus-Russia border and three checkpoints at the Russia-Kazakhstan border are authorized to handle such freight.

The limitations were introduced after Russia repealed the free trade regime with Ukraine in 2016 and imposed a food embargo on Ukraine. In response to this, the Ukrainian authorities introduced retaliatory measures.

Fuente: www.interfax.ua

Kazakhstan's anti-crisis measures crucial, expert says

Energy-rich Kazakhstan, the national economy of which has suffered a lot from decreasing oil prices on the world market, is keen on taking anti-crisis measures to prevent negative consequences of the global crisis.



In this regard, the government plans to develop a scenario of economic development of the country with the expectation that oil prices could fall to \$20 a barrel.

Such a decision was taken after President Nursultan Nazarbayev instructed the government to develop such a scenario given the rapid decline in oil prices and volatility in the global markets.

The government also plans to allocate additional funds from the state budget to finance the operational anti-crisis measures. In 2016, these funds will amount to roughly 225.5 billion tenges (\$615.5 million). These funds will be used to support employment and additional funding for the "Nurly Zhol" development program.

The developed scenarios will be discussed on January 19 at a meeting of the council on economic policy under the Kazakh government.

Bruce Pannier, an expert on Central Asia, and the Senior Correspondent at Radio Free Europe/Radio Liberty, believes the government's decision to develop new scenarios based on the economic reality in the world is important.

"It might be necessary to base the budget on an even lower price for oil. Otherwise, there is not much that can be done," he told Azernews.

Due to the fact that Kazakhstan depends on oil exports to support its economy, Astana cannot do anything to change the reality of falling oil prices on world markets. The country's two main trade partners - Russia and China - are suffering from the low price of oil and other economic problems and Astana cannot do anything about that either.

The expert believes that the Kazakh government will have to cut more programs and projects.

"There is already a plan on a massive privatization program, which will include major state industries – KazMunaiGaz, Kazatomprom, the national airline, the railway, and on and on, some 780 enterprises to be partially or completely privatized," he noted.

Meanwhile, Pannier believes that there is not much Kazakhstan can do "because most of the problems besetting the country are outside the Kazakh government's control."

"Kazakhstan was warned years ago not to become dependent on oil exports, many other countries were warned also, and advised to diversify their economies," he said. *"To the Kazakh government's credit, some steps were taken. Although oil and ferrous and non-ferrous metals are still a major part of the country's exports, Kazakhstan exports other things. Kazakhstan is one of the world's top 10 grain exporters for example."*



The expert is pessimistic about possible increase in oil prices on the world markets.

"Past that, the Kazakh government will just have to wait, and hope that oil prices rise. But officials should keep in mind that with Iran about to start selling its oil and gas on world markets, and with the advances in non-traditional resources – shale oil and shale gas – there is little chance we will see the record prices of more than \$100 per barrel that we saw several years ago," he stated.

New Kazakh Mazhilis only to approve unpopular measures

Commenting on appeal of the members of Mazhilis of the Kazakh parliament to President Nazarbayev on holding early parliamentary election due to aggravated economic situation in the country, Pannier said a new Mazhilis will not be able to do anything different to prevent the bad consequences of crisis to the national economy.

"Some people have suggested Kazakh authorities want to hold an election now before the full extent of the economic crisis hits the country," he told Azernews. "I agree with that to some extent but I would point out the economic crisis has already hit Kazakhstan. It is likely crisis will get worse and it might become much worse but the situation is already bad. The [Kazakh national] currency, the tenge was being exchanged at about 185 to one U.S. dollar just six months ago and this week it was being exchanged at a rate of about 365 tenge to one U.S. dollar, double the rate of last June."

Pannier expects the new Mazhilis to maintain strong support for President Nursultan Nazarbayev's policies, as the outgoing Mazhilis did.

"The new deputies are going to need to approve some tough and unpopular measures over the coming months to combat the effects of a slowing economy," the expert noted. "That process has already started. The current government has already reduced funding to a series of domestic programs, from state support for housing to financing the completion of upgrades and modernization of the country's three oil refineries."

"So, a new Mazhilis "cannot do much and in fact, it will probably be responsible for approving unpopular measures to cut back on infrastructure projects, new or repaired roads, electrification projects, and home-heating," he stressed.

Under the Constitution of Kazakhstan, in case of early termination of the MPs' powers, snap election should be set no later than within two months.

Fuente: www.azernews.az



Kazakh Banks Face Double Bind on Deposit Rule as Tenge Plummets

Kazakhstan's Kaspi Bank, which counts Goldman Sachs Group Inc. among its shareholders, may be too popular with savers for its own good.

With 600 billion tenge (\$1.6 billion) of deposits from individuals and 108 billion tenge of equity as of Dec. 1, according to central bank data, the Almaty-based lender may already be pushing the limits of a new rule that foresees a capital hit for banks whose deposits exceed 5.5 times equity. Some other banks, such as Centercredit Bank, are approaching that level.

And the banks' situation grows more precarious every time the tenge falls, driving up the value -- reported in tenge -- of deposits denominated in dollars, euros and other major currencies. In Kazakhstan, 78 percent of deposits are held in foreign currencies, according to central bank data for November. That means banks could wind up exceeding the level even if they accept no new deposits.

Regulators in oil-rich central Asian country, where lenders have restructured about \$20 billion of debt since the financial crisis, are trying to prevent some banks from becoming too big to fail. Their task is complicated by the plight of the tenge, which has plummeted against the dollar since the central bank shifted to a floating exchange rate in August 2015, as tumbling crude prices and devaluations by neighboring Russia and China boosted the cost of defending the currency.

To shore up the value of their savings, many depositors switched their money into major currencies before the central bank's move. Under the new deposit rule, that puts Kaspi Bank and others in a pickle.

The rule introduced by the Kazakh central bank on Jan. 1 redefines regulatory capital. A lender must now subtract balance-sheet equity, multiplied by 5.5, from total retail deposits. If the result is a positive number, it must in turn be subtracted from the bank's Tier 1 and Tier 2 capital to arrive at the new regulatory capital number.

On Dec. 1, Kaspi Bank had 193 billion tenge of regulatory capital, according to central bank data. That's well above the 10 billion tenge minimum for banks, but the lender may need to seek alternative sources of funding to avoid a run-in with the regulators.

'Current Cap'

The new rule could have further implications if the central bank abandons its recommended interest rates for banks' retail deposits -- 10 percent for tenge-denominated accounts. The International



Monetary Fund called for the removal of the “current cap on the commercial banks’ deposit rates on individual accounts.”

That would leave Kaspi Bank and others with a difficult choice: raise rates to compete with the biggest banks for deposits, further exceeding the deposit-to-equity limit, or risk losing depositors.

A spokesperson for Kaspi Bank said the goal of all rules in this “difficult time for the country and the economy” was to bolster the stability of the financial system. Kaspi Bank has “one of the highest ratings of capital adequacy,” the spokesperson said.

Centercredit Bank Managing Director Jinhwan Yang said the lender is following all central bank rules, and will “continue to take all necessary steps to fulfill the demands of the regulator.”

Fuente: www.bloomberg.com

No merger of KazTransOil, KazTransGas to happen - Kazakh oil giant

Kazakhstan's oil and gas company KazMunayGas said Jan.19 that the merger of two of its major subsidiaries - KazTransOil and KazTransGas - will not happen. “*In connection with the incoming media inquiries on the possibility of merging the two subsidiaries of the KMG group - JSC KazTransOil and JSC KazTransGas - the company officially states that such a merge is economically unfeasible,*” the company said.

KazMunayGas (KMG) is the Kazakhstan operator for exploration, production, refining and transportation of hydrocarbons, representing the state interests in the oil and gas industry of Kazakhstan. Joint Stock Company “National Company “KazMunayGas” was established by way of merger of “Kazakhoil” National Oil and Gas Company and “Oil and Gas Transportation” National Company pursuant to the Decree of the President of the Republic of Kazakhstan as of February 20, 2002.

KazTransGas JSC was established in accordance with a governmental decree of the Kazakh Republic N0173 dated February 5, 2000, in order to systematise the work of the gas industry. In accordance with the Kazakh government decree N914, as of July 5, 2012, KazTransGas JSC is defined as the national operator in the field of gas and gas supply. Companies and organisations dealing with gas production, transportation and sale are included in the KazTransGas company group.

KazTransOil is a largest oil pipeline company of the Republic of Kazakhstan, which provides services on oil transportation on the domestic market and for export.

KazTransOil JSC is an owner of the largest network of main oil pipelines and waterlines in the Republic of Kazakhstan, total length of which amounts to 5 502,997 km of oil pipelines (with account of 71,7 km



EMBAJADA
DE ESPAÑA

OFICINA ECONÓMICA
Y COMERCIAL DE ESPAÑA
ALMATY

of Kenkiyak - Orsk oil pipeline, which passes through the territory of the Russian Federation and which is on the balance sheet of Representation of KazTransOil in Samara) and 2 148,1 km of water pipeline.

Fuente: www.azernews.az

Kazakh-Russian EvrazCaspianStal tripled output in 2015

KOSTANAI. Jan 20 (Interfax-Kazakhstan) – In 2015, EvrazCaspianStal LLP based in the city of Kostanai (the administrative center of Kostanai region) produced 276,000 tonnes of rolled steel, three times more than in 2014, the mayor's office told Interfax-Kazakhstan.

In 2016, the plant will keep up this tempo, this year it plans to produce at least 276,000 tonnes of rolled steel and works at full capacity according to the mayor's office.

The plant was put into service in December 2013.

The rolled steel manufacturer EvrazCaspianStal is a Kazakh-Russian joint project and produces hot-rolled steel for reinforcing concrete articles with the annual capacity of 450,000 tonnes and 230 staff.

Fuente: www.interfax.kz

Kazakhstan to raise ceiling on retail tenge deposits, to cut on FX deposits

The Kazakhstan deposit insurance fund will raise the ceiling on retail tenge deposits to 14 percent from 10 percent, while cutting the ceiling on foreign currency deposits to 2 percent from 3 percent, the central bank said on Thursday.

Both changes are effective from Feb. 1. (Reporting by Olzhas Auyezov and Maria Gordeyeva; Writing by Katya Golubkova; Editing by Kim Coghill).

Fuente: www.reuters.com

Kazakh central bank governor shares de-dollarization plans

Governor of the National Bank of Kazakhstan Daniyar Akishev has commented on the regulator's plans to de-dollarize the Kazakh economy, Tengrinews reports citing the Kazakhstani TV channel KTK.

According to the central bank Governor, it is necessary to de-dollarize the Kazakh economy. *"Kazakhstan is a sovereign country that pursues its own economic policies. We have to take measures to restore*

Twitter: @ICEXAlmaty
e-mail: almaty@comercio.mineco.es
<http://kazajstan.oficinascomerciales.es>

20, KAZYBEK BI st
050010 ALMATY
TEL.: +7 727 2930240
FAX: +7 727 2930259



people's confidence in tenge [Kazakhstan's national currency], which is to be conducted through the creation of saving mechanisms. First of all, the profitability of the tenge instruments must be high so that it is profitable for people to keep their savings in tenge," Akishev said.

The financier called de-dollarization a painful process for the Kazakh economy. Apart from different psychological factors, there are many economic factors that hinder de-dollarization in Kazakhstan, he said.

Among the psychological factors that keep the level of dollarization of the economy high is people's reaction to the recent depreciation of the tenge. Akishev admitted that it is only natural that people try to protect their savings by buying foreign currency. However, currently the share of foreign currency deposits is extremely high throughout the banking system of Kazakhstan, constituting 80 percent of all individual deposits in the country. To reduce this figure, Akishev promised to reconsider the profitability ceiling of the deposits and other savings instruments in tenge.

Another psychological factor that prevents de-dollarization of the Kazakh economy is the habit to measure people's income and spending in dollars. *"People are used to calculating their incomes in the foreign currency, regardless of what they spend their money on. ... Especially, it applies to major assets: real estate, cars – they should be priced in tenge. Take real estate. Price formation in this market has historically been tied to the dollar. Currently, however, most of the materials used in construction – 80 percent of all construction materials - come from domestic producers. Thus, this asset is created without dollar, and so it really has little impact on its price formation," Akishev said.*

As for the products that heavily depend on imports, Akishev did not object that prices for those products were affected by the tenge to dollar exchange rate. Still he insisted that prices for such products had to be denominated in tenge. *"People need to get used to measuring the value of these assets in tenge,"* he said. The head of the regulator emphasized that it was important that prices for every product in the country was denominated in its national currency. Therefore, Akishev argued, one of the measures to de-dollarize the Kazakh economy would be to toughen up the legislation to directly prohibit denomination of prices in foreign currencies. It also can be complemented by introducing strict mechanisms to punish those who break this rule.

The set of expected economic measures for de-dollarization of the national economy includes increasing interest rates on deposits in tenge. Currently, the interest rate on deposits in tenge is 10 percent, in dollars – 3 percent. The National Bank's plan is to increase the interest rate difference between the saving in tenge and dollars, and to increase the interest rate on deposits in tenge. However, he said there was no final decision made on whether the interest rate on dollar deposits would be lowered further down.



The plan to reduce the level of dollarization of the economy is sensitive to the overall economic situation in the world and in Kazakhstan. As the Governor noted that the government and the National Bank had to keep a close eye on Kazakhstan's dependence on oil prices to maneuver and ensure stability of the Kazakh economy and maintain an appropriate level of inflation.

"I hope next year will be more favorable in terms of prospects for the oil market. It will allow us to plan our monetary policies for a longer term, and have a better understanding of how the exchange rate will develop, and what the size of our gold reserves will be. I would like to reiterate our commitment to the policy of free exchange rate," Akishev concluded.

Fuente: www.tengriznews.com

Ukraine beefs up sanctions against Russian products

Ukraine has imposed new sanctions against Russia as a tit-for-tat trade war escalates.

On Wednesday, vegetables, fish and confectionery were added to a list of Russian products already banned from Ukraine, such as beef, tobacco and chocolate.

The move comes in response to Moscow's embargo of Ukrainian food imports and suspension of a free trade zone between the two countries.

"These are our measures to counter Russian aggression, and we will continue to protect our domestic market," said Ukraine's prime minister Arseniy Yatsenyuk. *"While Ukrainian soldiers protect the border of our independent state, the government will protect our economic territory and our economic interest."* Russian border closed to Ukrainian transport.

Another issue of concern to the Kyiv government is a Russian ban on Ukraine transporting its goods across Russian territory to Kazakhstan, forcing them to travel through Belarus.

Euronews correspondent Maria Korenyuk is at the Cabinet of Ministers in Kyiv.

"Ukraine has already filed a complaint with the World Trade Organization over Russia's trade embargo. Kyiv hopes that the ban on the transportation of Ukrainian goods will be considered at the meeting of organisation's General Council in the later half of February."

Fuente: www.euronews.com



EMBAJADA
DE ESPAÑA

OFICINA ECONÓMICA
Y COMERCIAL DE ESPAÑA
ALMATY

Kirguistán



World Bank to help Kyrgyzstan with reform of energy sector

Bishkek- The World Bank will help Kyrgyzstan to reform the energy sector. This was agreed at the meeting of the Vice Prime Minister Oleg Pankratov and the World Bank CEO Jorg Frieden.

It is noted that this year the government expects a stable economic situation and GDP growth of 5.2 percent. However, the Cabinet expects to achieve these indicators at the expense of assistance of international partners.

Jorg Frieden noted that the cooperation between Kyrgyzstan and the World Bank is mutually beneficial. "We will continue to provide assistance to the country in the implementation of various projects, including the reform of the energy sector and budget planning. We hope that the Budget Code of the Kyrgyz Republic will be adopted in the near future," he said.

The meeting discussed prospects of cooperation in such areas as the development of "green energy" and strengthening the potential of the education sector.

Fuente: eng.24.kg



Investors Needed for Kyrgyz Hydropower Projects

The dams, needed by Kyrgyzstan, were never especially high on Moscow's list of priorities.

Michael Casey, Bishkek - The announcement that Russia had backed out of financing Kyrgyzstan's large-scale hydropower projects didn't necessarily come as a surprise. As both The Diplomat's Catherine Putz and EurasiaNet's Chris Rickleton noted, the projects – encompassing both the Upper Naryn cascade and the Kambar-Ata 1 dam – were never especially high on Moscow's list of priorities. Now that it's joined the Eurasian Economic Union, Kyrgyzstan remains firmly ensconced within Russia's orbit, and given the current economic maelstrom Moscow's dealing with, further infrastructural investments in Kyrgyzstan's hydropower future lost out to more pressing needs.

Still, it's clear that Kyrgyzstan's President Almazbek Atambayev was less than enthusiastic at the news of Russia's pull-out. While Bishkek has pushed the idea that external investors can still be found, the likelihood of, say, Beijing supplanting Moscow in financing the projects, at least in the immediate future, remains low. As such, Atambayev's frustrations weren't necessarily without merit.

Two additional angles within the fallout, however, haven't seen much coverage but help explain the extent of Atambayev's frustrations. Firstly, as Jamestown's Umida Hashimova wrote, Atambayev believed that "Russia may never have planned to actually fund these hydro-electric projects in the first place." Moscow's newfound reticence to fund the project, it would seem, only confirmed Atambayev's suspicions. Not only did Russia's planned investment, in play since 2012, preclude Kyrgyzstan from finding other investors, but the deals presented one of the primary pillars within the rapprochement between Bishkek and Moscow. Now – with Kyrgyzstan feeling the brunt of Russia's economic downturn, both in terms of weakened currency and remittance drop-off – that pledge has disintegrated, and proved Atambayev correct. (That said, the question remains as to whether or not it was wise for Atambayev to bottle his concerns before Russia's final decision.)

The second detail worth highlighting deals with the Kambara-Ata 1 project moving forward. While Kambara-Ata 1 remains far from finalized, Atambayev reaffirmed that the construction remained necessary, as Hashimova added, for Kyrgyzstan to "meet its obligation to supply electricity to Afghanistan and Pakistan under the CASA-1000 project." Atambayev's affirmation undoubtedly perked a few ears in downstream Tashkent, which has railed against Kambar-Ata 1's completion for years. (Tashkent has also bashed Tajikistan's planned Rogun Dam, which would exceed Kambar-Ata 1 in scope.) Even though there's no indication Kambar-Ata 1 remains necessary to the U.S.-backed CASA-1000 electricity project – at least, as it's currently planned – Kyrgyzstan has nonetheless acted as a net electricity importer recently, effectively negating its role as a planned exporter within the CASA-1000 rubric. More disconcerting, however, is the fact that Uzbekistan's Islam Karimov has already threatened "wars" should Kyrgyzstan push Kambar-Ata 1 to fruition.



So while Tashkent can breathe a sigh of relief that, for the moment, Kambar-Ata 1 looks far from completion, Atambayev's continual linkage of the project to CASA-1000 will do nothing to ease regional tensions. Nor, unfortunately for Bishkek, will it be likely to inspire any future investors.

Fuente: thediplomat.com

Kyrgyzstan realizes 17 projects worth \$690.9 million in 2015

Bishkek (AKIpress) - Seventeen projects valued at \$690.9 million were realized from January 2013 through September 2015 in Kyrgyzstan. This is 22% of 77 national projects, Economy Minister Arzybek Kozhoshev told Tazabek.

Seven projects for \$36.95 million were realized in agroindustrial complex.

Five of these projects aimed to ensure food security and to enhance competitiveness of agricultural products:

- 1) Construction of the mineral fertilizers plant (\$1.2 million);
- 2) Creation of 14 seed farms (\$7.4 million);
- 3) Establishment of a network of breeding farms with a farm in each region (\$4.91 million);
- 4) Equipment for cattle artificial insemination points has been procured (\$0.48 million);
- 5) Leasing of agricultural machinery has been accomplished, 225 equipment items (\$4.96 million);

Two projects of rehabilitation of irrigation networks were carried out to address the problem of shortage of irrigation water:

- 1) Delivery of construction equipment for the Water and Land Reclamation Department (\$10 million);
- 2) Rehabilitation of the end part of the Besh-Batman Canal for improvement of water supply situation in Aksy district (\$8 million).

Five projects for \$563.4 million were realized in energy sector with foreign assistance. The projects aimed to improve reliability of electricity supply and to increase export capacity in energy sector:

- 1) Modernization of the power transmission line in southern Kyrgyzstan (\$208 million);
- 2) Preparation of the feasibility study for construction of the Kambar-Ata-1 hydropower plant (\$3 million);



- 3) Preparation of the feasibility study for construction of the Kara-Keche thermal power plant (\$3 million);
- 4) Construction of high-voltage line and substation in Ak-Ordo residential neighborhood in Bishkek (\$5 million);
- 5) Construction of the Datka-Kemin power transmission line and Kemin substation (\$344.37 million).

Five projects were realized in transport and communications for \$90.6 million, which were aimed at development of transport infrastructure:

- 1) Procurement of road construction equipment and machinery (\$9.6 million);
- 2) Modernization of the air traffic management system (\$28.5 million);
- 3) Preparation of the feasibility study for construction of China-Kyrgyzstan-Uzbekistan railway (\$3.5 million);
- 4) Construction of the fiber optic line (\$19 million);
- 5) Construction and rehabilitation of roads in Bishkek (10 roads) - \$30 million.

Fuente: eng.24.kg

EU to transfer €30 mln to Kyrgyzstan for social protection reform

20/01/16, Bishkek

Within two years, the European Union will transfer a grant of €30 million to Kyrgyzstan for the reform of social protection. The Parliament ratified the agreement today in the third reading.

According to the document, the EU will transfer €26 million to the budget of the Kyrgyz Republic. The money will be used to improve the quality of social services, to increase social benefits and implement social reforms. About €4 million will be spent on seminars, trainings for social workers, publication of specialized books and booklets.

Fuente: eng.24.kg



EMBAJADA
DE ESPAÑA

OFICINA ECONÓMICA
Y COMERCIAL DE ESPAÑA
ALMATY

Fine for payments in foreign currency may reach 50,000 soms in Kyrgyzstan

20/01/16, Bishkek

Fine for payments in a foreign currency may reach 50,000 soms in Kyrgyzstan. The Ministry of Economy has submitted the amendments to the Civil Code, the Code of Administrative Liability, Law on Public Procurement and Advertising for public discussion.

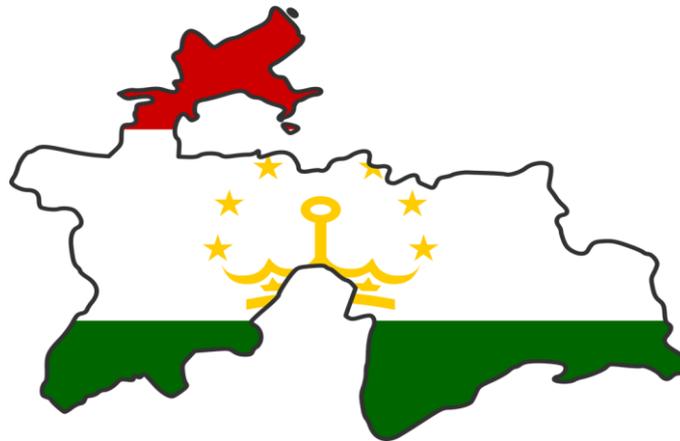
It is noted that the document was drawn up to reduce the population's need for foreign currency and dollarization of the economy, to increase the velocity of circulation of the national currency. Paragraph 3 of Article 11 of the Constitution of Kyrgyzstan says that the monetary unit of the country is som. According to Article 307 of the Civil Code, a liability should be counted and paid in local currency. The use of foreign currency and payment documents in foreign currency in the calculations is allowed in cases and order, established by the law. According to Article 16 of the Law on the National Bank, som is the only legal payment instrument in the Kyrgyz Republic. To make all these laws working, it is proposed to introduce penalties for payments in foreign currency.

In particular, a violation, on the proposal of the Ministry of Economy, results in a fine for citizens - from ten to fifty (1-5 thousand soms), for officials - from hundred to five hundred (10 - 50 thousand soms) calculated rates. If a person or organization is repeatedly caught with non-som payments, the fines will be larger: for citizens - from fifty to one hundred (5-10 thousand soms), for officials - from five hundred to one thousand (50-100 thousand soms) calculated rates.

Fuente: eng.24.kg



Tayikistán



Tajikistan recognized as most starving country in Central Asia – Global Hunger Index

Bishkek (AKIpress) - Tajikistan was recognized as the most starving country in Central Asia with 30% of the level of food shortage, according to the Global Hunger Index 2015 prepared by the experts of the International Food Policy Research Institute.

The Index was made on the basis of the study of such features as the percentage of population that is undernourished, the level of underdevelopment of children under 5 years and the percentage of children, who die before the age of five.

So, according to the document, 33.2% of the population of Tajikistan was undernourished, the percentage of underdevelopment of children up to 5 years made 26.8% and the mortality rate of children under 5 years was 4.8% in 2015.

Kazakhstan was a leader among the Central Asian countries with 8% of the level of hunger. Second place was gained by Kyrgyzstan with 9.4%, then Turkmenistan — 12.9%, Uzbekistan — 13.3% and Tajikistan with a serious level of hunger among the population — 30.3%.

The most starving country of the world was recognized Republic of South Africa — 45.9%.

Fuente: akipress.com



Rahmon calls on Tajik entrepreneurs to arrange production of export goods

DUSHANBE, Asia-Plus – Tajik President Emomali Rahmon has called on domestic entrepreneurs to arrange production of export goods.

His call came during an address to a joint meeting of both houses of the parliament in Dushanbe on January 20.

Rahmon, in particular, noted that local banks last year provided a total of 16 billion somoni in loans. Of them, 4 billion somoni were reportedly provided in preferential loans.

According to him, the number of customers of local banks last year increased by 15 percent.

“In 2015, we set up a special entrepreneurship support fund,” the president said, noting that the budget last year provided 95 million somoni for setting up the fund. “This year, this amount will increase to 125 million somoni,” Rahmon stated.

The president ordered heads of relevant ministries and agencies to take adequate measures to support the national currency of Tajikistan.

63 projects are expected to be implemented in different sectors this year and 19 billion somoni, including 7.5 billion somoni of foreign investments, will go to support implementation of these projects, Rahmon added.

Fuente: asiaplus.tj

Tajikistan's GDP in 2015 totals about \$7.87 billion – PM

Bishkek (AKIpress) - The growth of GDP in Tajikistan made 6%, which is 48.4 billion somonis (about \$7.87) in 2015, said Prime Minister of the country Kokhir Rasulzoda at the enlarged session of the Tajik government on January 21, the press service of the President reported.

450 million somonis have been allocated to support the state budget during this period.

The enlarged session of the government is chaired by President Emomali Rahmon. The session will focus on socio-economic development of the country in 2015 and the tasks for 2016.

Issues concerning the reduction of impact of external factors on the economy of Tajikistan and increase of industrial production and export potential will be the main areas of discussion.



The government members will also consider creation of new jobs and execution of budget indicators.

The government session is underway, added the press service.

Fuente: akipress.com

ADB Ready to Support Deeper Economic Reforms in Tajikistan

The FINANCIAL -- Sean O'Sullivan, Director General of the Asian Development Bank (ADB)'s Central and West Asia Department, concluded yesterday a two-day visit to Tajikistan, during which he met with Prime Minister Kokhir Rasulzoda and other senior government officials to discuss the country's development priorities and current economic situation, ADB's assistance program, and reaffirm ADB's continued support for national development.

"ADB recognizes the current difficulties faced by Tajikistan and is doing its best to help the country overcome them," Mr. O'Sullivan said. "There is an urgent need for deepening reforms to improve Tajikistan's economic efficiency, diversification, and competitiveness, and ADB stands ready to support such reforms."

Mr. O'Sullivan is responsible for ADB operations in Afghanistan, Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

ADB's current partnership strategy with Tajikistan focuses on improved connectivity, energy security, and private sector development. In 2015, ADB approved two projects worth a total \$92 million for Tajikistan, including \$60 million budget support for the first phase of the investment climate reforms program and \$32 million to modernize technical and vocational education and training system in the country. ADB assistance for 2016 is expected to be \$70 million in support for rehabilitating the Dushanbe-Kurgan-Tyube road, and improved water resource management, according to ADB.

Tajikistan joined ADB in 1998, and to date ADB has approved around \$1.4 billion in concessional loans, grants, and technical assistance to the country. The ADB-Tajikistan partnership has promoted social development, upgraded and built new infrastructure, expanded agricultural production, developed the microfinance market, and encouraged regional cooperation and trade.

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

Fuente: finchannel.com



ADB expected to reduce support for Tajikistan's energy and transport sectors

DUSHANBE, Asia-Plus – The Asian Development Bank (ADB) Board of Directors is expected to approve ADB's new five-year country partnership strategy (CPS) for Tajikistan during the first quarter of this year, a source at the ADB Tajikistan Resident Mission (TJRM) told Asia-Plus in an interview.

According to the source, the CPS for 2016-2020 is intended to support the government's long-term national-development strategy for 2016-2030. It is expected to focus on the creation of jobs through increased private investment, economic diversification, and competitiveness, raising industry's contribution to economic growth.

"No global changes will be made to the structure of the next CPS," said the source. "There will be little changes."

80 percent of resources of the current strategy have reportedly gone to support enhancement of the transport and energy sectors. "In the next CSP, this figure will be reduced to some 60 percent and the released resources will go to support creation of new jobs, development of vocational and technical education, economic diversification, etc," the source added.

We will recall that ADB's updated 2016 to 2018 country program for Tajikistan was presented in Dushanbe last month. The ADB's Tajikistan country operations business plan (COBP) for 2016–2018 reportedly has an indicative investment level of over \$240 million, which is earmarked for projects ADB wishes to support.

The indicative investment pipeline includes projects to rehabilitate the Dushanbe – Qurghon Teppa road, to improve food security, and to support water resource management. The COBP also includes projects to help develop the energy sector and to reform the investment climate.

ADB assistance for 2016 is expected to be \$70 million, followed by projected investments of \$85 million and \$86 million in 2017 and 2018, respectively. However, final amounts will depend on the country's performance and availability of ADB funds. The decision on the share of loans and grants in the total assistance package will be based on Tajikistan's debt distress classification jointly prepared by the IMF and World Bank, and in accordance with ADB's grant framework.

Tajikistan joined ADB in 1998. To date, ADB has approved total assistance of around \$1.4 billion in concessional loans, grants, and technical assistance to the country. The ADB-Tajikistan partnership has promoted social development, upgraded and built new infrastructure, expanded agricultural production, developed the microfinance market, and encouraged regional cooperation and trade under the CAREC Program.



EMBAJADA
DE ESPAÑA

OFICINA ECONÓMICA
Y COMERCIAL DE ESPAÑA
ALMATY

More than 2 billion U.S. dollars are needed to provided Tajikistan's population with safe drinking water, Alimurod Islomzoda, Director General of the State Unitary Enterprise Khojagii Manziliu Kommunali (KMK -- the state holding company for public utilities), told reporters in Dushanbe on January 14.

To-date, only 57 percent of the population has got access to safe drinking water, Islomzoda said, noting that it will take 85 years to provide the whole population of the country with safe drinking water.

“We have decided to set up the KMK Development Foundation in order to attract funds from international financial institutions,” KMK top manager said, expressing hope that the KMK Development Foundation will be set up this year.

Fuente: asiaplus.tj