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Kazakhstan Adds Gold With Ukraine as Russia Halts Buying Run

(Bloomberg) -- Kazakhstan increased gold reserves for the 28th straight month, while Ukraine added to holdings for the first time since August, the International Monetary Fund said. Russia trimmed assets for the first time since March.

Kazakhstan boosted holdings to about 193.5 metric tons in January from 191.8 tons a month earlier as Ukraine's rose to 23.9 tons from 23.6 tons, according to data on the IMF website. Russia lowered reserves to about 1,207.7 tons from 1,208.2 tons, ending nine months of purchases, they showed.

Central banks have raised gold reserves for the past five years, a reversal from two decades of selling since the late 1980s. Governments added 477.2 tons in 2014, the second-biggest increase in 50 years, and purchases will be at least 400 tons this year, the London-based World Gold Council says. Bullion had its biggest monthly advance in three years in January.

"There's been a small but nonetheless increasing trend that central banks want to hold gold," said Wayne Gordon, an analyst at UBS Group AG in Singapore. Bullion buying by central banks is "a risk aversion strategy," he said by phone.

Euro-area holdings rose to about 10,791.5 tons last month from 10,784.1 tons in December and compared with 10,787 tons a year earlier, according to the IMF data.

Gold climbed 8.4 percent in January in London as policy makers in Europe and Asia signaled more stimulus to battle slowing economic growth and investors speculated that Greece may be forced to quit the euro. Bullion traded at \$1,195.80 an ounce on Tuesday, still 38 percent below a record set in 2011.



Kazakhstan, Russia

Kazakhstan's hoard rose 33 percent in the past 12 months and more than doubled in the past three years, the data show. Ukraine's assets dropped in November to the lowest level since 2005 as its foreign currency reserves contracted and the hryvnia slumped amid conflict in the eastern region.

Russia, the world's fifth-biggest gold holder, had been adding to its holdings as international sanctions over Ukraine and plunging oil prices led to a collapse in the ruble. Before last month, Russia had bought at least 18 tons a month since September and more than tripled its holdings since 2005.

Turkey cuts its gold reserves last month along with Mexico and Belarus, the data showed.

Fuente: bloomberg

EBRD, UniCredit Group Lend \$260 million to Kazakhstan's Voskhod Chromium

Voskhod Chromium, a mining operation in western Kazakhstan, has received \$260 million in financing jointly arranged by the European Bank for Reconstruction and Development (EBRD) and UniCredit Group, according to a Feb. 23 EBRD press release.

The cross-border investment will enable the facility, which is located in Khromtau in the Aktobe oblast (region) and is a subsidiary of Turkey's Yildirim Group, to make its operations more efficient and allow it to continue importing best technologies and equipment.

Each entity will provide half of the funding. The loan agreement was signed in London on Feb. 23 in the presence of EBRD President Sir Suma Chakrabarti, Kazakh Prime Minister Karim Massimov and senior representatives of UniCredit.

"We are pleased to support this operation together with UniCredit and to contribute to the expansion of Yildirim Group into a new market," said Chakrabarti during the signing. "We are also proud to cooperate with the government of Kazakhstan, represented here by the Prime Minister, Karim Massimov, on the reform of natural resources legislation, specifically subsoil use legislation, which will bring it in line with international standards."

The financing will be used by Yildirim Group to restructure the Voskhod mine and improve its efficiency and competitiveness while reinforcing the overall environmental and operational health and safety standards, according to the press release. The plan also includes the acquisition of new mining equipment from world-class manufacturers, the expansion of facilities and intense underground mine development works.

UniCredit is a European financial and banking services group with thousands of branches distributed in 17 countries and 50 markets, according its website. EBRD, owned by 64 countries and two intergovernmental institutions, works to support the development of market economies and democracies.

To date, EBRD has invested about \$7 billion into various sectors of the Kazakh economy, with investments in 2014 alone reaching a record level of about \$700 million, according to the press release. The financing, however,



is the first for the bank in the chromium sector, said EBRD Managing Director for Energy and Natural Resources Riccardo Puliti, who signed the agreement on its behalf.

“Chromium, which makes steel ‘stainless,’ is an essential material in the world today,” he added, according to the press release. “We are pleased to support Yildirim in this cross-border investment, especially as the Voskhod Chromium project is expected to have a transformational effect on the operations of the mine by introducing new technologies and practices into Kazakhstan for the first time.”

In a separate event the day of the signing, EBRD hosted a meeting of the UK-Kazakhstan Intergovernmental Commission mining subgroup, created through an agreement between UK Prime Minister David Cameron and Kazakh President Nursultan Nazarbayev to support cross-border investment and business cooperation between the two business communities. Recent and anticipated changes in the subsoil use legislation were discussed by delegates including Kazakh Minister for Investment and Development Asset Issekeshov, UK Trade and Investment and UK Export Finance agencies and mining and service companies which are active or are considering investment opportunities in Kazakhstan.

Fuente: astanatimes

Kazakhstan and Kyrgyzstan concerns about Customs Union

ALMATY (TCA) — In Central Asia and in Kazakhstan and Kyrgyzstan in particular, there is a serious concern that the Customs Union with Russia and Belarus will not bring the expected benefits. For Kazakhstan and Russia the low prices of oil have already determined a considerable slowdown of the economy and a depreciation of their currencies. For Kyrgyzstan, the economic problems of Russia may cause a delay in the promised investments and a serious reduction of remittances from Kyrgyz labor migrants in Russia and their possible return home, with another potential element of unrest. According to an article published by Pravda.Ru*, “the collapse of oil prices that has already eaten much of the income of both Russian and American corporations has reached Kazakhstan. The economic crisis is looming over another member of the Customs Union. Is there a threat to the Customs Union during the period of the economic hardship? What does the Kazakh administration do to avoid the crisis?”

Kazakhstan braces up for the crisis

The growth of the Kazakh economy slowed down in 2015 to three percent. The fall of oil prices is not the only reason. The country is facing the growth of cheap imports from Russia and the decline of consumer demand. In addition, Standard & Poor's confirmed short term sovereign credit ratings of Kazakhstan on foreign and national currency obligations on the level of A-2. According to forecasts from the agency, the GDP growth of Kazakhstan will slow down to 1.5 percent in 2015, whereas the GDP growth per capita will make up the average of 1.6 percent in 2015-2018.



Kazakhstan's economic problems, S&P believes, are directly connected with the country's dependence on the oil sector, the share of which accounts for 20-30 percent of GDP, over 50 percent of budget revenues and 60 percent of exports.

"Of course, Kazakhstan's dependence on oil exports is considerable. In the structure of export income of the Kazakh budget, oil accounts for early 70 percent — about 55 billion dollars last year," Ivan Ippolitov, a spokesman for the department of Central Asia of the Center for the Studies of Problems of near-foreign countries, an employee of the Russian Institute for Strategic Research, told Pravda.Ru. "Low oil prices promise hard times to Kazakhstan and other oil exporters, especially if low prices of oil last for a long period of time. The rate of the national currency, the tenge, reacts to negative events in economy. A year ago, the tenge lost nearly 20 percent of its value, which struck a blow on the population," the expert told Pravda.Ru.

However, it appears that the devaluation of the national currency last year was only a start. Kazakh President Nursultan Nazarbayev has repeatedly warned local citizens that they would need to get ready for difficult times.

This may occur due the changing global situation, including the ongoing standoff between Russia and the West. It is important to realize that Kazakh oil exports go via the territory of Russia, on Russian pipelines and Russian ports. In addition, Kazakhstan largely depends on imports from Russia. Therefore, Russia's economic problems affect Kazakhstan.

In the beginning of the month, it was reported that Kazakh businessmen addressed the authorities with a request to ban imports of certain types of goods from Russia due to the fall of the ruble rate. The decline of the Russian ruble made Russian goods more competitive on Kazakhstan's markets. However, Kazakh authorities said that there would be no such decisions made. It would be very strange for Kazakhstan to ban imports from Russia under the conditions of joint economic space and membership in the Customs Union.

How can the economic decline of Kazakhstan affect the stability of the Customs Union?

"Economic difficulties in Russia and Kazakhstan may affect the development of the Eurasian integration. Both Russian and Kazakh economies depend on foreign trade and exports of natural resources. Yet, one should not be dramatic about it. One should understand that economic times can vary from easy to hard periods. One will have to look for options to overcome these problems," Ippolitov told Pravda.Ru.

The crisis should not affect Eurasian integration

At the same time, the chairwoman of the department for economics at the Institute of CIS countries, Aza Migranyan, told Pravda.Ru that the Customs Union is not going to see considerable economic difficulties in the near future. According to the expert, economic indicators have declined recently, but physical production volumes remain the same, and these factors do not change in the majority of countries.



"There are certain difficulties connected with the growth of the inflation rate and the decline of the purchasing capacity of the population. Such factors reduce the volume of mutual trade. This is the first factor that we see and notice – the declining level of consumption and the dynamics of the development of domestic production. As for the questions of the development of competitive ability, economic difficulties affect the plans that the government had prepared for the modernization of economy," Migranyan told Pravda.Ru. The expert noted that if the government of Kazakhstan could indeed limit the imports of goods from the Russian Federation, it would have contained the development of the Eurasian Economic Union.

Fuente: timesca

Sales of new cars drop in Kazakhstan

ASTANA (TCA) — Sales of new automobiles made in Kazakhstan dropped 40 percent in January 2015 compared to December 2014, Novosti-Kazakhstan reported citing the Association of Kazakhstan Automobile Business.

"In January 2015, sales in the official automobile market of Kazakhstan amounted to 7,774 new cars and commercial vehicles. The sales dropped 40.4 percent compared to last December and 28.5 percent compared to January 2014," the Association said.

A sharp decrease in the demand for Kazakhstan-made cars was caused by devaluation of the Russian ruble late in 2014, as a result of which Kazakhstanis now prefer to buy cheaper cars in Russia.

The Association said that Kazakhstan's automobile business is taking maximum efforts to retain its position in the market. Kazakh dealers have offered significant discounts for popular car models.

According to the Association, Kazakh dealers are negotiating fixed prices in rubles with Russian car makers in order to equalize car prices in Eurasian Economic Union countries. The EEU now includes Belarus, Kazakhstan, Russia, and Armenia.

Earlier this month, Kazakhstan's National Economy Minister Yerbolat Dosayev said that the government of Kazakhstan will allocate 20 billion tenge (around \$108 million) to support the country's automobile industry.

"Some 20 billion tenge will be allocated to encourage and support domestic automobile production," Dosayev said. "This money will be provided in two ways: as additional lending through second-tier banks for buying cars by private individuals (at annual interest rate of around 6 percent). The second way is financial leasing [for buying motor vehicles] by legal entities at annual rate of up to 4 percent."

Kazakh Minister of Investment and Development, Aset Isekeshiev, earlier said that sales of domestically assembled automobiles had halved in Kazakhstan over the past two months, because Kazakhstan citizens had bought some 50,000 cheaper cars in Russia, which is comparable to annual car production inside Kazakhstan.

Fuente: timesca



Central Asia grain markets: Russia and Kazakhstan redirecting export

ALMATY (TCA) – It is known that already in the first century AD during the Roman period the satiric poet Juvenal coined the Latin phrase *Panem et circenses* (“bread and circuses”) to describe in a cynical way a political strategy to keep the well-being of population and peace through food and entertainments (games). With Central Asia well known for developing its own geo-political games, the region’s role as a semi-global grain hub is sharply on the increase due to the decline of the Black Sea as a major trade centre. The region is surrounded by grain-hungry states such as China, most of Indo-China, India, Pakistan, and Iran. This abundance of market opportunities increases the chances of the regional agro-business to attract investments. This is by and large being done in Russia and Ukraine – but not in Kazakhstan.

The split between Ukraine and Russia has disrupted the development of a tripartite export marketing pool for cereals, mainly through outlets at Black Sea ports, further consisting of Kazakhstan and the Russian Federation. Previously North-African and Southwest-Asian markets were the main targets for the ex-USSR “grain troika”. Its two remaining members are now reorienting their marketing strategy, with China as the main new market and existing clients such as Iran, Pakistan and India across the Caspian Sea and from there mainly by rail.

Grain stocks and China export

On February 17 this year, Russia started preparing the paperwork for grain deliveries of up to 30 million tonne of grain to China through the current year, the Kiev-based agro-newsreel APK Inform reported. This comes close to Russia’s entire export capacity, since the agency also reported that between the beginning of the current “marketing year” starting on July 1, 2014 up to February 11 this year, the Russian Federation had exported 23.616 million tonne of cereals, an increase of 31.6 per cent from the same period in the previous marketing year.

The deal also slightly exceeds Russia’s grain carryover stocks which as of February 1 stood at 29.2 million tonne. And compensation in the form of output increase looks like a remote option. APK also reported on February 17 that Russia expects a harvest yield decrease of 3.2 per cent this year to an expected total of 100.5 million tonne, due to the fact that 21.2 per cent of the areas under cultivation (3.6 million hectare) is in “unsatisfactory” condition. Further setbacks can only be prevented by stepping up planting spring crops, which should be done in the course of March.

New marketing opportunities

With Russia’s domestic consumption standing at 71 million tonne per annum, the deal with China leaves little left for other customers. This, ironically, could prevent a trade war with Ukraine, which will be left with increased demand at its terminal at the port of Odessa. As recently reported by APK, from July 1 up to February 17, Ukraine exported 23.4 million tonne of cereals, including 9 million tonne of wheat, 10.3 million tonne of maize and 3.8 million tonne of barley. Wheat sales prices vary, according to quality, between \$200 and \$300 per tonne. Total exports for grain for the full current marketing year are expected to amount to 37.9 million tonne,



on a total production amounting to 63.8 million tonne and carryover stocks of 8.34 million tonne as of early 2015 and 7.3 million tonne as of end-June this year.

It all leaves not Russia but rather Kazakhstan with the biggest challenge where the ongoing major shift in grain markets is concerned. Little earlier, Kazakhstan's agriculture ministry stressed the necessity to seize new marketing opportunities circumventing the troublesome Black Sea zone, but no tangible results of it in the form of new major delivery contracts have been seen so far.

As of February 1 this year, Kazakhstan's carryover stocks of grain came close to 12 million tonne, with wheat making up for 10 million. Last year's grain harvest yields amounted to 17.162 million tonne in clean weight. Exports of grain, the bulk of it consisting of wheat, amounted to just over 3 million tonne in the first nine months of 2014, with no figure provided for the full year so far. With domestic consumption averaging 9 million tonne per annum, this leaves in the order of an awesome 25 million tonne in place, with the need to sell some 10 million tonne before the seasonal drop in market prices sets in. And even then, discounts should be offered given downward trends on world markets through the winter. Whereas both Russia and Ukraine offer their grain at their terminals in their highly depreciated local currencies, Kazakhstan continues to offer it in US dollar and euro denominations – thereby losing competitiveness.

Gross cash value

The economics behind the discrepancies are easily explained if one takes a glance at Central Asia's agro-sector's macroeconomics. The present situation in Ukraine is having dramatic consequences in terms of human victims and monetary values and the results for the agro-sector are certainly not positive and may not achieve the expected output of US \$23.5 billion.

According to figures provided in mid-February by the Moscow-based CIS Interstate Statistics Committee, Kazakhstan's agriculture sector in 2014 stood for a gross cash value of US \$13.765 billion, a 0.8 per cent net increase from the previous year. Russia's sector value amounted to US \$74.1 billion and Belarus' to \$11.1 billion. Armenia and Kyrgyzstan, the two newcomers in the Eurasian Economic Union, together accounted for roughly another 5.5 billion greenbacks in agro-sector value. This means that the EEU five together produced crops with a gross value topping \$105 billion.

Internal consumption and export commitment may create disequilibrium within the EEU and this may be the cause of possible unrest unless measures to equalize it within the Union are taken in a timely manner.

Fuente: timesca



Kazakhstan president visits EBRD

The Prime Minister of Kazakhstan has visited the EBRD. The Kazakhstani delegation also included the Minister of Economy, Yerbolat Dossayev, the Minister of Investment and Development, Asset Issekeshiev, Chairman of the Board of the Samruk-Kazyna National Welfare Fund, Umirzak Shukeyev, and other top officials.

The Republic of Kazakhstan and the EBRD have dramatically increased the level of their cooperation after the signing last year of the Enhanced Partnership Arrangement which defines the way in which the EBRD and other international financial institutions can join forces with the government to finance projects and re-start economic reforms.

EBRD President Sir Suma Chakrabarti says in a formal statement that, “Kazakhstan has demonstrated that it is committed to re-energise transition and is accelerating reforms, increasing efforts to diversify the economy away from the oil and gas sector, and rebalancing its economy towards the private sector. This is what the EBRD also believes. To help re-ignite the transition process in Kazakhstan, the EBRD is partnering with the government on a number of reforms in a range of sectors.”

Fuente: ftse global markets

Kazakhstan: No cut in production, no devaluation

Kazakh Oil Minister Vladimir Shkolnik has announced that it has no plans to cut oil production, despite the over 50% decline in the prices of common oil benchmark indices like Brent Crude and West Texas Intermediate. Shkolnik said that no production decreases were planned for 2015, despite the very clear warnings about lower profits and government revenues. Shkolnik said nothing about revenues, only focusing on production targets, and expressing optimism that the targets will be met for the year. However, this is only half the story.

The real clincher for this production target hinges upon whether the tenge will be devalued once again against the dollar to match the ruble's decline. Most other former Soviet Union countries heavily tied to the price of oil have let their currencies adjust to the new exchange rate. But Kazakhstan appears to be counting on artificially inflated profits from oil production without lowering the exchange rate. While this wealth will accumulate in terms of the tenge, the overvaluation of the currency will increase costs for everything from equipment imports to cattle exports.

Real effective exchange rate for Kazakhstan is at some 11 percent above its long term average, causing a sharp decline in domestic consumption of goods and services as residents cross the border into Russia to buy cheaper goods taking advantage of the high rate.

Fuente: steppe dispatches



Kazakhstan, Hungary enter into strategic partnership in Budapest

BUDAPEST: Kazakh Prime Minister Karim Massimov met with his Hungarian counterpart and other officials on June 3 in Budapest to discuss bilateral trade and economic cooperation.

Hungary and Kazakhstan stand ready to boost economic ties that have suffered due to the Ukrainian crisis, Péter Szijjártó said after the talks.

Kazakhstan is still Hungary's main trading partner in Central Asia, and Kazakhstan's most important trading partner is the EU, so it would be reasonable for both countries to promote pragmatic and enduring dialogue between the EU and the Eurasian Economic Union, Péter Szijjártó said. He added that the cooperation between Hungary and Kazakhstan could serve as a basis for relations between the two unions.

An investment program worth USD 24 billion has been launched in the country. The Minister noted that a joint financial investment fund had been set up, with Hungary and Kazakhstan injecting 20 million dollars each. Moreover, Eximbank created a credit facility worth EUR 45 million to support the cooperation of SMEs and a Hungarian trading house also opened in Astana recently.

Péter Szijjártó said that energy was a prospective field of cooperation, noting that the Kazakh government supports the expansion of the operation of Hungarian oil and gas company MOL in Kazakhstan. Moreover, Kazakhstan is also preparing to introduce an electronic toll system, and a Hungarian company is likely to win the contract to build it.

Fuente: customs today

Swedish firm's acquisition to take kidney care in Kazakhstan to the next level

Three years ago the international kidney-care provider Diaverum began considering what countries it should choose for its second wave of overseas expansion. The factors it weighed included a country's economic strength, commitment to improving health care, quality of doctors and nurses and ease of doing business. In the end, Diaverum whittled the expansion possibilities to a handful of nations. Kazakhstan was one.

Three years ago the international kidney-care provider Diaverum began considering what countries it should choose for its second wave of overseas expansion.

The Swedish firm, which had already set up shop in Germany, Saudi Arabia, Romania and Chile, decided to look at 50 countries as second-wave possibilities.

The factors it weighed included a country's economic strength, commitment to improving health care, quality of doctors and nurses and ease of doing business. In the end, Diaverum whittled the expansion possibilities to a handful of nations.

Kazakhstan was one. Diaverum managers began flying to the country to check out kidney-care providers the company might acquire and get a firsthand look at the over-all health-care system and the business climate.



It liked what it saw. On January 1 it completed an acquisition of Nefros Asia, a company that operated nine kidney-care clinics across Kazakhstan. It is one of the few times an international company has acquired a sizable Kazakhstan health-care operation.

The acquisition is Diaverum's first in Asia. It's already serving 26,000 chronic kidney patients at 300 clinics in 18 countries – in Europe, the Middle East, Latin America and Australia.

The company, which has 8,000 employees worldwide, recruited a Kazakhstan management team headed by Sardar Sadykov to direct the local operation.

For patients, the payoffs from the acquisition will be world-class medical technology, state-of-the-art training of staff, and over time a shift in focus to preventing kidney failure, according to Mans Olsson, head of Diaverum's Middle East and Asia Division.

Fuente: tengrinews

Swissport Enters Kazakh Market

On Feb. 9, Airport Management Group LLP (AMG), JSC "Astana International Airport" and Swissport International Ltd. signed a Memorandum of Understanding (MoU), in which the parties agreed that Swissport will take over the complete ground handling from Astana International Airport in two phases. The cooperation will commence on 1 May 2015 with the newly established joint venture "Swissport Kazakhstan" taking over passenger handling in Astana. In a second phase, the joint venture will take over the entire ground handling services by the end of the year, then also including ramp and de-icing services.

The basis for this cooperation is the Government of Kazakhstan's wish to advance and upgrade its airports and ground services to make them compliant with international regulations and standards, and to prepare them for the EXPO 2017 in Astana. The purpose of the MoU is to establish the joint venture company between Airport Management Group LLP (AMG) and Swissport International by end of March.

Mark Skinner, Senior Vice President Ground Handling comments: "Swissport sees a big potential in the Kazakh market, which shows remarkable economic growth rates. We are looking forward to the cooperation with AMG helping to establish the necessary next steps for meeting international standards when it comes to ground services."

Swissport International Ltd. provides ground services for around 224 million passengers and handles 4.1 million tonnes of cargo a year on behalf of some 700 client-companies in the aviation sector. With a workforce of around 55,000 personnel, Swissport is active at more than 265 stations in 45 countries across five continents, and generates consolidated operating revenue of CHF 3.0

Fuente: aviationpros



CENTRAL ASIA AND MONGOLIA EMERGING AS VITAL SUPPLIERS OF NATURAL RESOURCES

While Central Asia and Mongolia may not be at the center of attention right now, the region is becoming increasingly important, not only as a vital supplier of natural resources, but also on account of its geographical location as a crossroads between Europe and Asia.

The significance of the Central Asian republics and Mongolia will increase further, even if the boom seen in past years is probably over for the time being, according to a report by Commerzbank.

“As a result of the proximity to China and Russia, the vast amount of catching-up vis-à-vis the industrialized nations, high foreign investment, and the long period of excellent global economic development, Central Asia and Mongolia have been able to rapidly industrialize and post high growth figures since the start of the new millennium,” explained Rainer Schäfer, Head of Country Risk Analysis at Commerzbank.

Schäfer notes that in the majority of these countries, raw materials continue to dominate foreign trade and foreign exchange inflow.

The reserves of natural gas, gold, and copper, as well as the production of cotton, are of global significance; yet development in this area is not over by far, despite significant infrastructure investment taking place.

“Greater diversification with a simultaneous reduction in the high degree of government regulation is necessary so as to secure long-term prosperity in the Central Asian region.”

The differences between the countries in the region are substantial, however. The most important trading partner for Germany is currently Kazakhstan, which has profited from the energy boom of the past decade thanks to its extensive oil reserves.

The rapid rise of China and the associated increase in demand for raw materials saw an increase in prices, driving rapid growth in the country – which also has other resources in abundance. Measured in terms of the per capita gross domestic product (GDP) Kazakhstan has, as a result, virtually caught up with Russia, and is thus the richest nation in the region by far.

Kazakhstan is also clearly ahead of China, where GDP per capita is US\$7,000, placing the country on about the same level as Turkmenistan, which has major natural gas reserves and is expanding its processing capacities.

Neighbouring Uzbekistan has a position among the top ten gold exporting nations and cotton producers. It has rich uranium deposits and energy reserves, as well as major development opportunities in the “silk road tourism” sector and a diversified manufacturing industry.

Major water resources

Tajikistan and Kyrgyzstan have major water resources, which are also of significance to their neighbouring countries. Both countries are heavily dependent on remittances from immigrant workers employed in Russia.



To date, Mongolia has only been able to utilize a small portion of the development potential of the country's massive raw material deposits.

Despite the dynamic growth rates seen in past years, the potential cooperation between Germany – a major exporter and high-tech leader – and Central Asia/Mongolia has not yet been tapped in full.

“We assume that in the future economic growth in the region will be considerably higher than the global average, and that, as a result, business relations with Germany will be further intensified,” said Axel N. Bommersheim, Regional Head at Commerzbank - Financial Institutions.

Fuente: cfoinnovation

Kazakhstan, Finland discuss cooperation in education

Bishkek (AKIpress) - Last week a three-day visit of the Kazakh delegation to Finland organized with the support of the Kazakh-Finnish Business Hub ended.

The delegation was led by Chairman of the Committee of Science of Kazakhstan's Ministry of Education and Science Sansyrbai Zholdasbaev and Rector of the Gumilev Eurasian National University Erlan Sydykov.

Recalling substantial discussions during the 2014 visit to Astana, Speaker of the Finnish Parliament Eero Heinäluoma emphasized the priority of cooperation with Kazakhstan in the field of education.

The Finnish side underlined that cooperation in the field of education had gained a new character: starting from the exchange of students and scientific-pedagogical staff now Kazakhstan and Finland were to launch joint educational programs. Heinäluoma is an Honorary Professor of Gumilev ENU.

In the Ministry of Education, the delegation was acquainted with the projects implemented by the Kazakh-Finnish innovation and education group. Representatives of educational institutions in Finland expressed strong interest in participating in the training of Kazakh specialists for the needs of the industrialization of our country, particularly in construction.

Of practical interest were developments of the Agency TEKES on commercialization of scientific research, taking into account existing work of L.Gumilev ENU Innovation Park.

Numerous meetings of the Kazakh delegation continued in the most famous Finnish "smart city" of Oulu – the twin of the Kazakh capital. An important outcome of the visit was the signing of a Memorandum of Cooperation between the ENU and the University of Oulu on the development of joint academic programs.

Fuente: akipress



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Kazakhstan to be fully covered by its own gasoline in 2017, says minister Shkolnik

Bishkek (AKIpress) - Kazakhstan will be able to fully cover its market with domestic petroleum products in two years, Energy Minister Vladimir Shkolnik told a press briefing on Monday.

"After 2016, Kazakhstan will be fully provided with domestic gasoline and diesel fuel," said Shkolnik.

Modernization of the country's refineries will allow to increase oil refining capacity by 29.4% from 14.5 million tons to 18 million tons a year.

Volume of oil refining will significantly increase by up to 90%, the production of AI-92 gasoline will increase from 12.0% to 21%, and AI-95 and AI-98 gasoline from 0.7% to 10%.

Fuente: akipress



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Kyrgyzstan to Modernize Public Transport

Published by Bakyt Ibraimov February 24, 2015

Weary commuters in Bishkek are welcoming the recent news that the European Bank for Reconstruction and Development (EBRD) is going to be subsidizing an update to the capital city's public transportation, but experts say that it's going to take a lot more than some new vehicles to fix the system.

On February 18, representatives from EBRD met with the Bishkek mayor's office to discuss development of public transportation in the capital and other big cities in Kyrgyzstan to get a handle on the issue.

"We specifically looked at possibly getting investments for updating our trolleybuses, which is important, because this type of public transportation is economic and ecological," says Kubanychbek Kulmatov, the mayor of Bishkek.

According to him, the sides have also discussed the development of engineering networks and increasing the number of routes, and the donors promised to assist Kyrgyz public transportation up until 2025.

In 2011 the EBRD committed to providing 11.6 million euros to Kyrgyzstan for the development of the public transportation. Part of these funds has already been allocated and helped government buy 32 new buses and 44 new trolleybuses that in addition to regular conditions accommodated special needs.

In 2015 the EBRD will allocate an additional 10 million euros for the development of public transportation in Osh, second largest Kyrgyz city after Bishkek.



Supporting Kyrgyzstan's public transportation development is a major cooperation aspect for EBRD, says EBRD Director for Infrastructure in Russia and Central Asia Yekaterina Miroshnik.

"24 new buses and 20 new trolleybuses will be bought for Osh, and also we will develop for the first time a public transportation system in this city," she says.

Aside from all the assistance, Osh city government will be able to receive 1.2 million euro compensation free to provide technical support to the project in terms of rehabilitation.

"These investments are very important for us, as they will influence positively the overall social-economic development," says Osh Mayor Aitmamat Madyrbayev, adding that Osh hasn't updated its public transportation in 20 years due to lack of finances in the budget.

However, while officials all express appreciation and excitement, analysts are saying just updating the public transportation isn't enough, and development of alternative transportation types and infrastructure is key. Bishkek architect Sergei Ryspekov says, the country has to develop bicycling infrastructure and speed trams, which he says are extremely popular and efficient in many developed cities.

"We have prepared a project where we offer to develop a network of bicycling roads that go parallel to rivers and transportation lines. Our plan also suggests to build a lightweight single line tram. We believe these plans would help Bishkek with its growing population over 1.5 million solve its overpopulation problem," he says. In the near future Bishkek doesn't plan to build a Metrorail due to extensive construction costs, and therefore single line trams would be a great option, Ryspekov says.

Kyrgyz economist Kairat Bagishev says single line trams would help both Bishkek and Osh not only solve the transportation problem, but also improve the ecological situation, as these cities are in need of improving their environmental records.

"In the last 20 years over 100 lightweight single track tram lines were opened across the world, because this method of transportation doesn't require large investment and can service up to 20,000 passengers per hour," adds Bagishev.

Bagishev says that it is most important that such tram lines are built between airports in Osh and Bishkek and the city centers.

As the Kyrgyz authorities work toward addressing these problems, it is hoped that by providing greater mobility for citizens, new economic activity can take place and relieve the unemployment that plagues many sectors of society.

Fuente: Silk Road Reporters



Kyrgyzstan: Entrepreneurs Face Eurasian Union Confusion

February 24, 2015 - 11:27am, by David Trilling Kyrgyzstan EurasiaNet's Weekly Digest EEU Kyrgyzstani Economy

With less than three months until Kyrgyzstan joins the Kremlin's new economic bloc, the Eurasian Economic Union, confusion over the EEU's rules is keeping small-scale Kyrgyzstani entrepreneurs guessing. Tacked on to already existing problems, including rampant corruption and Russia's stalling economy, the uncertainty surrounding EEU requirements could make for a particularly bumpy economic transition.

"We don't have full information about it [the EEU]. We know maybe only 5 percent what it means for us," said Uluk Kydyrbaev, head of the National Alliance of Business Associations, a lobby in Bishkek. "Some of our members see benefits, some see threats."

Several analysts in Bishkek say they were stunned by how quickly their country moved to join the protectionist trade bloc. After toying with membership since 2010, Kyrgyzstan accelerated the accession process in 2014, as Russia whipped out new carrots and sticks. Amid its increasing isolation by the West due to the crisis in Ukraine, the Kremlin offered Bishkek up to \$1.2 billion in aid to join, while introducing strict new rules for migrant workers from countries outside the EEU. Up to one-fifth of Kyrgyzstan's population work in Russia.

Russia's purchasing power has been pushed downward by a stricken ruble, dealing a blow to the prospects of Kyrgyzstan's already hurting and limited manufacturing sector. The head of a group representing apparel producers said February 20 that half of Kyrgyzstan's clothing companies are idle and the rest are not operating at capacity, KyrTAG.kg reported.

Still, Kyrgyz government officials insist investors will flock to Kyrgyzstan to enjoy cheap electricity, cheap labor and access to the common market, which now includes Armenia, Belarus, Kazakhstan and Russia.

The Chinese "want to sell things to the Russian market," Prime Minister Djoomart Otorbaev told EurasiaNet.org. "They will open factories here; electricity, labor and rent – everything is cheaper here."

Meanwhile, many local entrepreneurs are busy tracking rumors—alarmed, for example, by reports that Belarusian and Kazakh companies have faced protectionist hurdles accessing the much larger Russian market. Several businesspeople mentioned plans to open assembly plants to make consumer goods for the EEU market from imported Chinese parts. They believe components from China (like buttons) will be taxed at a lower rate than finished goods (like jackets). But this may prove to be wishful thinking.



An inspector at the State Customs Agency told EurasiaNet.org that import tariffs have not yet been agreed upon, as there are several more protocols Bishkek must sign before joining the EEU.

Some experts expect that Kyrgyzstan's thriving black market and porous borders will render EEU membership somewhat symbolic—just like the date Kyrgyz President Almazbek Atambayev says he “hopes” to accede, May 9, the anniversary of the Red Army's victory over Nazi Germany. Critics smirk at the date, describing the EEU as Russian leader Vladimir Putin's attempt to rebuild the Soviet Union.

Whatever changes the EEU brings to Kyrgyzstan, they are unlikely to improve the country's tarnished reputation among more fastidious entrepreneurs, long scared off by energy shortages, widespread corruption, and a raft of international arbitration suits brought against the government by jilted investors.

Kydyrbaev, the business lobby representative, expects the EEU to produce an uptick in foreign investment, but not from the West. “We're not expecting companies that have held IPOs and have good reputations and care about ethics. We expect companies who have that culture [of paying bribes] and are ready to participate in ‘unofficial’ relations,” Kydyrbaev said. “We're not proud of this, of course.”

A mid-level manager at a large Chinese state-run company confirmed that little would deter Chinese investors from experimenting in Kyrgyzstan, even as he painted a grim picture for would-be entrepreneurs.

“Those who don't have experience investing here will lose their money. It is difficult ... to start a business without experience of how the law and traditions here work. You even have to steal money to know how it works,” he said, speaking on condition of anonymity for fear of repercussions from his company and the Kyrgyz authorities. He estimated 90 percent of Chinese entrepreneurs in Kyrgyzstan fail, but does not see that as a deterrent. “There is a lot of competition in China. And people have lots of capital. So Chinese will keep coming and trying.”

Another Chinese businessman, a 30-year-old electronics trader who has been in Bishkek for seven years and asked to be called by his local name, Borya, said he expects to leave when Kyrgyzstan joins the EEU. Kyrgyzstan's membership in the organization will make it harder for him to import the Chinese batteries and solar panels he sells.

Since the start of the troubles in Ukraine and Russia's own economic decline, currencies throughout Central Asia have trailed the ruble downward. The falling som has hurt Borya's profit margin already. “I thought about starting a little factory, but starting a business here is painful,” he said. In particular, he complained about incessant visits from government inspectors trying to shake him down.

“The law doesn't work here. If it worked, people would not be afraid to do business here,” he said.

Meanwhile, Western investment appears to be crashing. On February 14, citing Foreign Ministry data, 24.kg reported that American investment in Kyrgyzstan plummeted by over 50 percent during the first nine months of 2014, compared with the previous year, a decrease no doubt heavily influenced by the American withdrawal from



the Manas airbase. The data also said the trade imbalance was 99 percent in the United States' favor. A Foreign Ministry spokesperson told EurasiaNet.org that the data was leaked, and would neither confirm nor deny its authenticity.

“Personally, I think joining [the EEU] is economic suicide. We don't produce anything. We were enjoying a liberal customs regime for 20 years, but never started producing. That helped a lot of people get through bad times. But there's been no real preparation for joining the union,” said Kydyrbaev. His consolation: “The government understands it cannot force 100 percent of the [EEU] rules on the population.”

Fuente:Eurasianet

USAID project to boost agricultural development in Kyrgyzstan

BISHKEK (TCA) — The U.S. Agency for International Development (USAID) has launched the Agro Horizon Project to promote agricultural productivity and diversification in Kyrgyzstan.

The inaugural event for the project brings together representatives of the Ministry of Agriculture and Water Management; the governors of Osh, Batken, Jalalabad, and Naryn oblasts; and local governments, agricultural associations, entrepreneurs, microcredit agencies, and international organizations. The event is taking place on February 24 and 25 in Osh, the U.S. Embassy in Kyrgyzstan said.

Agro Horizon is a four-year, \$22 million project that will promote agricultural sustainability and food security by increasing the productivity and competitiveness of Kyrgyz agricultural producers and enterprises working in fruits, vegetables, dairy products, meat, and poultry (egg production). The project will focus on Osh, Jalalabad, Batken, and Naryn oblasts to help local farmers and agribusinesses adopt advanced agricultural techniques and strengthen their business and management practices. The project will also work to improve the business and policy environment for producers, and to increase access to domestic and foreign markets.

The USAID Agro Horizon Project is implemented by ACDI/VOCA in partnership with HELVETAS Swiss Intercooperation.

The project is scheduled to complete in September 2018.

As a result of the Agro Horizon project, 80 percent of target farmers will use improved technologies and practices, leading to improved smallholder productivity and household income; the assisted agribusinesses will drive a 25 percent increase in domestic and regional export market share; and average household dietary diversity scores will increase by at least 10 percent.

Fuente: Timesca



Kyrgyzstan ratified the Memorandum of Understanding, the grant agreement macro-financial assistance and loan agreement with the EU

Bishkek, February 25 / Kabar /. Kyrgyz President Almazbek Atambayev signed the Law "On ratification of the Memorandum of Understanding between the Kyrgyz Republic and the European Union, the Grant Agreement on macro-financial assistance between the Kyrgyz Republic and the European Union, the Loan Agreement between the Kyrgyz Republic as borrower and the European Union as a creditor, signed October 2, 2014 in Bishkek. " The law was adopted by the Kyrgyz Parliament February 19, 2015.

Fuente: Kabar

Government expects to sign framework agreement with Centerra Gold Inc. within 2 days

Bishkek (AKIpress) - The Government expects to sign a framework agreement with Centerra Gold Inc within 2-3 days, Vice Prime Minister Valery Dil said at a meeting of the parliamentary committee on agrarian policy, water and regional development on February 24.

"We are close to signing an agreement. This is a great job and we managed to get closer to it. I do not want to talk, because of the media, but we are not wasting our time and we are working," he noted.

Fuente:AkiPress

Kumtor Gold Company invests more than \$300,000 in development of youth banks in Issyk-Kul region

25/02/15 07:48, Bishkek – 24.kg news agency, by Tatyana KUDRYAVTSEVA

Kumtor Gold Company has invested more than \$300,000 in the development of youth banks in Issyk-Kul region. The President of Kumtor Gold Company Daniel Desjardins announces today at "Youth participation in development of local communities" national conference.

According to him, there is such a thing as social license for operation among mining companies. For its implementation, the company promotes sustainable local community development. Kumtor Gold Company adheres to this principle in its work.

"Our company supports 4 main areas of sustainable development in Issyk-Kul province. It is about the development of agrarian sector, support for small and medium-sized businesses, the environment, interaction with youth for supporting legislative initiatives. At present the project, in which we have invested a lot of efforts, a project on creating youth banks. There are plenty of examples where young people successfully implement examples of sustainable development of their communities," Daniel Desjardins noted.



"Those young people, with whom we have worked in the 1990s, become now our full partners, the company's specialists. This proves the importance of supporting local initiatives. KGC has worked in Kyrgyzstan for a long time but it should be understood - we have no answers and solutions for all of questions and concerns of local communities. It is important to give young people the opportunity to make decisions and implement their ideas," he added.

Fuente:24 kg

Kyrgyzstan presents OSCE-supported risk assessment in money laundering and financing of terrorism

Bishkek, February 24 / Kabar /. The Kyrgyz State Financial Intelligence Service in co-operation with the OSCE Co-ordinator of Economic and Environmental Activities, the OSCE Centre in Bishkek, and the World Bank presented an assessment of national risks in money laundering and financing of terrorism in the Kyrgyz Republic on 20 February 2015. Senior officials from law enforcement and public sector agencies also participated in the presentation.

The national risk assessment seeks to improve national legislation, regulations and measures to address the challenges of money laundering and financing of terrorism. It is also a useful reference for financial institutions and designated non-financial businesses.

"National risk assessment is the process which allows countries to identify, assess and understand risks to effectively combat money laundering and the financing of terrorism," said Ambassador Sergey Kapinos, the Head of the OSCE Centre in Bishkek. "The OSCE Centre in Bishkek fully supports the efforts of the Kyrgyz Government in its attempt to establish an effective system against money laundering and the financing of terrorism."

The national risk assessment was developed as part of the recommendations by the Financial Action Task Force on Money Laundering (FATF).

The OSCE Centre in Bishkek is supporting Kyrgyzstan's financial bodies to adopt modern investigative and countering methods, and implement legislation that addresses FATF recommendations.

As a result of the Centre's assistance Kyrgyzstan was removed from the FATF's 'grey list' in July 2014 and is no longer subject to the FATF's monitoring process under its ongoing global process of compliance with requirements on anti-money laundering and combatting the financing of terrorism. In a related, more recent achievement, the Eurasian Group (EAG) removed Kyrgyzstan from their monitoring list.

Fuente: Kabar



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Tajikistan seeks consultant for construction of its section of Turkmen-Chinese gas pipeline

DUSHANBE, February 24, 2015, Asia-Plus -- The Ministry of Finance of Tajikistan (MoF) has announced a tender for selection of a consulting company for providing technical, legal, economic and financial services for implementation of the Turkmenistan-China Gas Pipeline Project.

The MoF Secretariat notes the deadline for applications is March 12, 2015.

We will recall that Tajik President Emomali Rahmon and visiting Chinese President Xi Jinping attended the construction commencement ceremony of the Tajikistan section of Line-D of the China-Central Asia Gas Pipelines on September 13, 2014. The ceremony took place in the Roudaki district.

Line D is the fourth in the pipeline network. The current pipeline network comprising lines A, B and C passes through Uzbekistan and Kazakhstan before reaching China's western Xinjiang province.

In November 2011, Ashgabat agreed to send an additional 25 billion cubic meters/year of gas to China, bringing total volumes to 65 billion cu m/year by 2020. Some of the additional gas supplies would come from the supergiant Galkynysh gas field in Turkmenistan.



The latest agreement with Tajikistan was signed in Dushanbe between Chinese ambassador to Tajikistan Fan Xianrong and Tajikistan's First Deputy Minister of Energy and Water Resources Sulton Rahimov in March 2014.

A broad agreement for the project was then signed with Uzbekistan, Tajikistan and Kyrgyzstan during President Xi Jinping's visit to Central Asia in September 2013.

With a length of only 1,000 kilometers, Line D will be the shortest section of the CACGP network. The pipeline, which at full capacity will carry 30bn cubic meters of natural gas per year, runs from Turkmenistan's giant gas fields all the way to the Chinese border through Uzbekistan, Tajikistan and Kyrgyzstan. Works at Line D kicked off in September and are now scheduled to wrap up in 2020, although initially the completion date was set for 2016.

Among all countries the pipeline travels through, Tajikistan has the longest section of about 410 kilometers. In Tajikistan, the gas pipeline will run through Tursunzoda, Shahrinav, Hisor, Roudaki, Vahdat, Fayzobod, Nourobod, Rasht and Jirgatol to Kyrgyzstan's border.

Tajikistan expects a total income of \$3.7bn in transit fees and taxes from the Tajik trunk of "Line D" of the Central Asia–China gas pipeline (CACGP) over 32 years.

Saidahmad Shamsiddinzoda, the head of Open Joint-Stock Company (OJSC) Tojiktransgaz (Tajik state-run natural gas distributor), said during a parliamentary session in Dushanbe on December 9, 2014 that the income of the Tajik-Chinese operator Trans-Tajik Gas Pipeline will be \$15bn over 32 years, and of this amount, Tajikistan will receive \$1.2bn in the form of taxes and \$2.5bn as dividends.

We will recall that Tajikistan had received natural gas from Uzbekistan until 2013. Uzbekistan suspended gas deliveries via pipeline to Tajikistan on December 31, 2012 after both sides failed to agree on gas prices following the expiration of their contract. Uzbekistan, Tajikistan's only supplier of gas, routinely suspends gas deliveries to its neighbor amid complaints of nonpayment.

Fuente:Asia Plus

Tajikistan sees sharp national currency devaluation

DUSHANBE, February 24, 2015, Asia-Plus – Tajikistan has seen sharp currency devaluation in recent days. The national currency, the somoni (TJS), has fallen nearly 3.5 percent against the dollar (USD).

The value of the Tajik national currency, the somoni (TJS), has continued to depreciate against the U.S. dollar, registering an average market purchase rate of the dollar against the somoni 1:5.8775 on February 24, up from 1: 5.74 on February 19.



According to data from the National Bank of Tajikistan (NBT), the market exchange rate between USD and TJS in Dushanbe increased from 1:5.74 on February 19 to 1:5.91 on February 24, with similar exchange rate rises in other parts of the country.

In Khujand, the capital of Sughd province, the market exchange rate between USD and TJ increased from 1:5.75 on February 19 to 1:5.92 on February 24.

In Qurghon Teppa, the capital of Khatlon province, the market exchange rate between USD and TJ increased from 1:5.73 on February 19 to 1:5.88 on February 24.

In Kulob (Khatlon province), the market exchange rate between USD and TJ increased from 1:5.74 on February 19 to 1:5.80 on February 24.

In Khorog, the capital of the Gorno Badakhshan Autonomous Region (GBAO), the market exchange rate between USD and TJ increased from 1:5.48 on February 19 to 1:5.55 on February 24.

Meanwhile, an official exchange rate between USD and TJS set by the National Bank of Tajikistan rose from 1:5.4139 on February 19 to 1:5.4444 on February 24.

Fuente: Asia Plus

Large sports complex expected to be built in Dushanbe in the coming two and a half years

DUSHANBE, February 7, 2015, Asia-Plus – A large sports complex “Poytakht-90” will be built in Dushanbe in an area of 10 hectares.

Shavkat Saidov, a spokesman for the Dushanbe mayor’s office, says an estimated budget for construction of this sports complex is approximately 600 million somoni.

The design for the sports complex “Poytakht-90” has been worked out by specialists from the Russian company, Rostovgiproshakht.

The complex will consist of several gym halls, seven tennis courts with 150 seats each, the 3,000-seat tennis palace, and the 2,000-seat swimming spots palace.

The sports complex is expected to be finished in the coming two and a half years, the Dushanbe mayor’s office spokesman said.

Fuente:Asia Plus



Donors help Tajikistan population increase financial literacy

DUSHANBE (TCA) – The World Bank Group, together with a number of financial institutions, has launched a comprehensive national financial education program to combat low levels of financial literacy and growing concerns about over-indebtedness.

The initiative, which will be delivered across a variety of channels including television and radio, will help Tajik individuals and households learn how to better manage their money, develop sound financial skills, and foster stronger banking relationships, as part of wider efforts to increase access to finance in the country, the International Finance Corporation (IFC) country office in Tajikistan reported.

Recent research on financial literacy in Tajikistan carried out by IFC, a member of the World Bank Group, revealed that more than 40 percent of respondents spend all their income, while only half make regular savings. In addition, 83 percent could not explain basic banking terms, about 90 percent had never heard about the credit bureau, and only about 40 percent would agree to provide their credit information to the credit bureau.

“Improving financial literacy will help further develop the financial sector, spur entrepreneurship, and increase general well-being, so it is vital for economic growth and the healthy development of our economy. We are confident our joint efforts will help more people become financially literate and improve their financial health,” said Izatullo Lalbekov, Chairman of the Association of Banks of Tajikistan.

“Empowering consumers is a prerequisite for an efficient and transparent financial market. This is especially important because of Tajikistan’s developing financial system and current poor levels of financial knowledge and skills,” said Rolf Behrndt, World Bank Group Finance and Markets Global Practice Manager. “This initiative should help increase formal savings and promote responsible financial behavior in Tajikistan.”

The program includes educational materials on household budgets and personal finance management, smart borrowing rules, preventing over-indebtedness, savings strategies, managing remittances, and the benefits of credit information reporting.

The initiative is part of the World Bank Group Finance and Markets Global Practice’s Central Asia Financial Markets Infrastructure Project, which aims to strengthen the financial infrastructure in Tajikistan. The project is funded by the Government of Switzerland.

Fuente: Timesca

India reportedly shows interest in Tajikistan-Afghanistan-Pakistan trilateral transit trade pact

DUSHANBE, February 25, 2015, Asia-Plus -- Tajik Minister of Economic Development and Trade Nematullo Hikmatullozoda yesterday met with Indian Ambassador to Tajikistan Asith Kumar Bhattacharjee.

The Ministry of Economic Development and Trade (MEDT) press center reports the two discussed state and prospects of further expansion of bilateral economic cooperation between Tajikistan and India.



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“The sides discussed various aspects of bilateral economic cooperation, including India’s interest in a trilateral transit trade pact between Tajikistan, Afghanistan and Pakistan and holding of the next meeting of the Tajik-Indian commission for trade and economic cooperation,” the press center says.

A two-way trade between Tajikistan and India last year valued at 21 million U.S. dollars.

As far as the trilateral transit trade agreement between Tajikistan, Afghanistan and Pakistan is concerned, the three countries have agreed to prepare the draft trilateral transit trade agreement during the first quarter of this year.

Delegations of Tajikistan, Afghanistan and Pakistan met in Islamabad on January 3 to discuss the details the trilateral transit trade agreement and they reportedly decided to expedite the process of consultations to reach conclusive decisions on the agreement.

The Nation (Pakistan) reported on January 4 that the three sides nominated their focal persons for technical discussions for the agreement and agreed to meet in February in Dushanbe with first draft of the trilateral transit trade agreement. The meeting also expressed its consensus to bring the final draft of agreement in March, which may be signed in Kabul, according to The Nation.

We will recall that Afghanistan and Pakistan signed a memorandum of understanding (MoU) for the Afghan-Pak trade transit agreement (APTTA) in July 2010. In October 2010, the landmark APTTA agreement was signed. The APTTA allows Afghan trucks to drive inside Pakistan to the Waqah border with India, including to the port cities of Karachi and Gwadar.

In November 2010, the two states formed a joint chamber of commerce. The APTTA agreement has taken effect after several Afghan trucks delivered fruits from Afghanistan to the Waqah border with India in June 2011. With the completion of the APTTA, the United States and other NATO states are planning to revive the ancient Silk Road. This is to help the local economies of Afghanistan and Pakistan by connecting South Asia with Central Asia and the Middle East.

In July 2012, Afghanistan and Pakistan agreed to extend APTTA to Tajikistan in what will be the first step for the establishment of a North-South trade corridor. The proposed agreement will provide facilities to Tajikistan to use Pakistan’s Gwadar and Karachi ports for its imports and exports while Pakistan will enjoy trade with Tajikistan under terms similar to the transit arrangement with Afghanistan.

Fuente:Asia Plus