



# **Investment Opportunities of the Kyrgyz Republic**

# *Where and Why*



**Your next location on the Great Silk Way...**



# **KYRGYZSTAN**

**... access to a growing market and well-educated population, as costs are low and the rate of return is high...**

# ***Kyrgyz Republic at a glance***



## ***Capital***

**Bishkek**

## ***Languages***

**Kyrgyz (state), Russian (official)**

## ***Political system***

**Parliamentary republic (*after the new Parliament is elected on 10 October 2010*)**

## ***Area***

**199,900 sq. km**

## ***Population***

**5,45 mln. people**

## ***Regions***

**Cities of Bishkek and Osh and 7 *oblasts***

## ***National currency***

**Kyrgyz som (USD1 = KGS 45.0)**

# Kyrgyzstan – land of change...



## Milestones

- **1991** – Kyrgyzstan became a sovereign and independent state
- **2010** – People's Revolution – introduction of parliamentary republic and new President elected – first female president in Central Asia



*According to the new Constitution adopted at the 27 June, 2010 referendum:*

- New Parliament, *Jogorku Kenesh*, comprised of 120 MPs united in party groups
- Head of Government is chosen by the Parliament's biggest grouping and is accountable to *Jogorku Kenesh*

# **Macroeconomic indicators**



**2010**

GDP growth	4,68 bln. \$
GDP per capita (USD)	887 \$
FDI (USD)	4,68 bln. \$
Inflation	19,2%
Unemployment rate	9%
Average monthly wages (USD)	151,65 \$



- Country with more than 5 million population
- Close ties with neighbouring countries and the world's second biggest economy, China
- First country in the Commonwealth of Independent States to join WTO and co-founder of Eurasian Economic Community





# ***Priority sectors of Kyrgyz economy***

**Hydropower energy**



**Tourism**



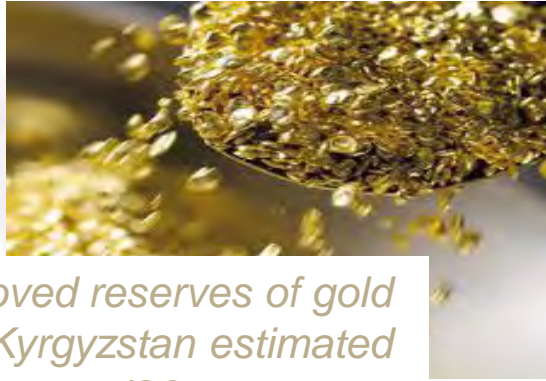
**Mining**



**Agriculture**



# Natural resources



*Proved reserves of gold in Kyrgyzstan estimated at 420 tons*



*Kyrgyzstan's hydropower potential is 142.5 bln kilowatt-hours*



*Abundance in construction materials*



*Lead*

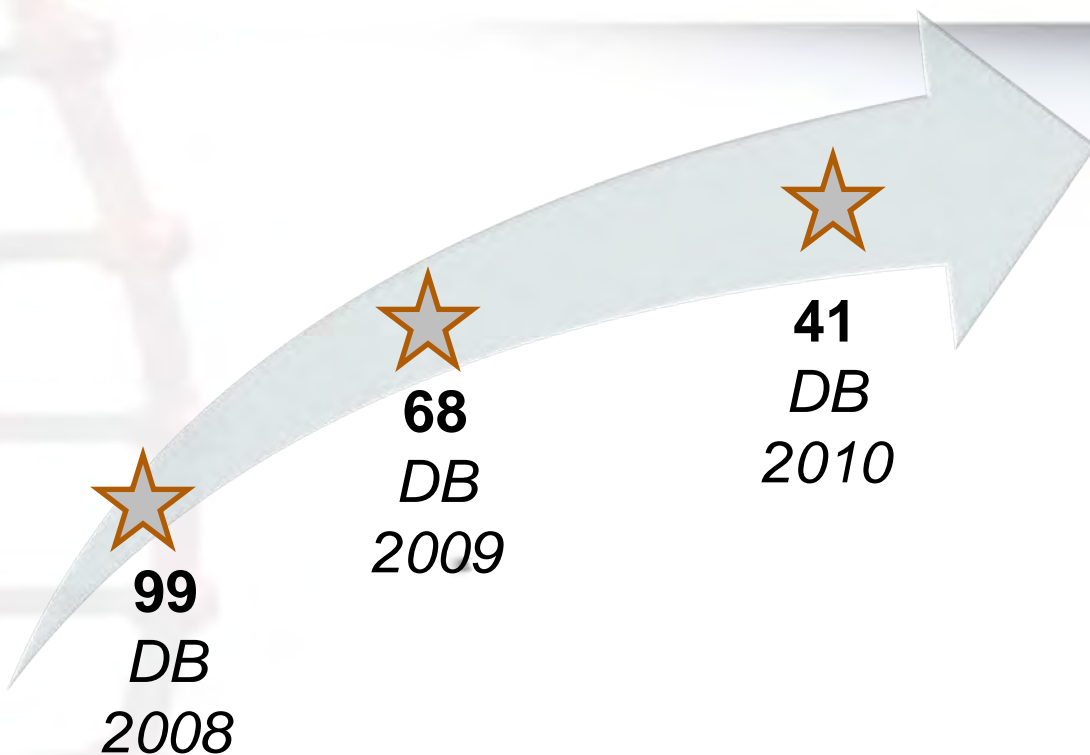
*Mercury*

*Antimony*

*Rare-earth metals*

*Uranium*

# Kyrgyzstan in Doing Business



## INDICATORS

- Starting a business
- Employing workers
- Registering property
- Getting credit
- Protecting investors
- Paying taxes
- Trading across borders
- Dealing with construction permits
- Enforcing contracts
- Closing a business



**Doing Business** is a study elaborated by the World Bank Group since 2004 every year that is aimed to measure the costs to firms of business regulations in 183 countries

# ***Improvement of the business environment***



**Now it is even easier  
to start a business thanks to SINGLE  
WINDOW:**

The number of procedures is reduced  
*to 2*

The number of days is reduced  
*to 5*

The cost is reduced  
to **2.8%** of GNI per capita



**Real property registration  
is simplified considerably:**  
The number of procedures is reduced  
from 7 *to 2*

The number of days is reduced  
from 8 *to 2*

The cost is reduced to  
**0.09%** of GNI per capita



# ***Foreign investors' rights***



- + foreign investment allowed in all sectors of economy**
- + possibility to freely manage the company with full ownership rights**
- + full repatriation of capital and profits**
- + protection against out-of-court expropriation and nationalization**
- + national treatment for foreign investors**



# ***Free economic zones***

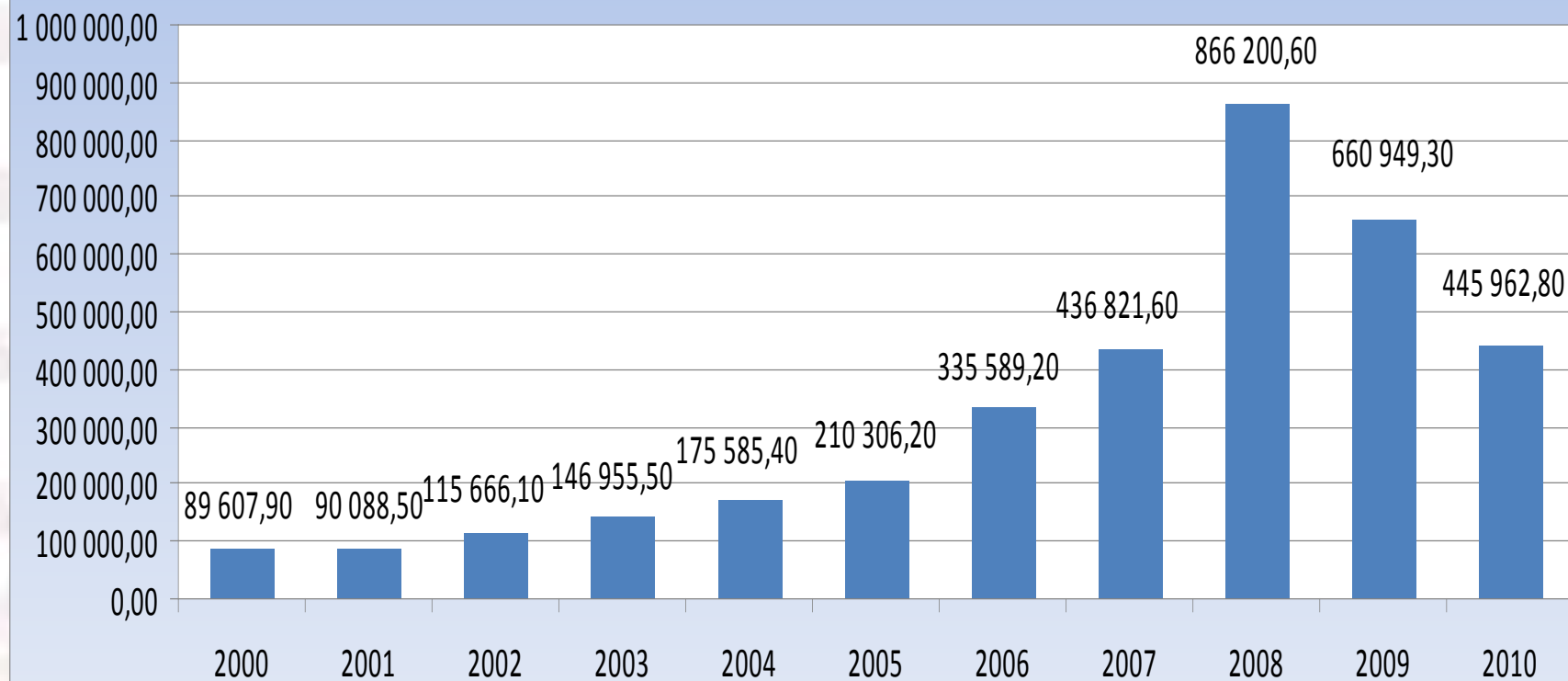


## **Benefits of FEZ**

- tax and levies exemption for the whole period of work in a FEZ;
- payments to a FEZ administration for using abovementioned benefits are equivalent to 1-2% of annual revenue;
- no customs duties on export of goods produced in a FEZ, on import of goods delivered to a FEZ and goods delivered to a FEZ for re-export
- Exported goods produced in a FEZ are free of quotas and licensing
- Simplified procedure of registration



# Foreign direct investments inflow





**Thank You for Attention!**