

Main economic events

- IMF supports economic reforms in Uzbekistan**
 According to IMF, in 2004 Uzbekistan achieved impressive GDP growth rates of 7.7%, strengthened its foreign trade balance and stepped up reforms in the taxation area.
- A new entrant in the local insurance market**
 Newly established company «Asia Inshurans» LLC on 6th May obtained a license from the Ministry of Finance of the Republic of Uzbekistan for rendering services in the field of general insurance.
- Exhibition «Cotton and Silk World –2005» will be held in Tashkent**
 This exhibition will facilitate to attract new participants into textile industry.

Official exchange rate of the CB RU to major world currencies (USZ)

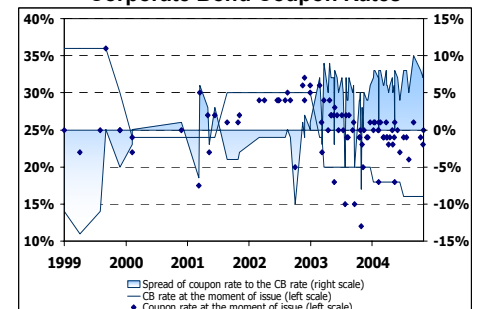
	17.05.2005	10.05.2005
1 USD	1097.02	1094.25
1 EUR	1381.92	1405.02
1 GBP	2025.65	2080.17
10 JPY	101.93	104.55
1 RUR	39.29	39.38

Key interest rates in national currency as of 20.05.2005 (in % per annum)

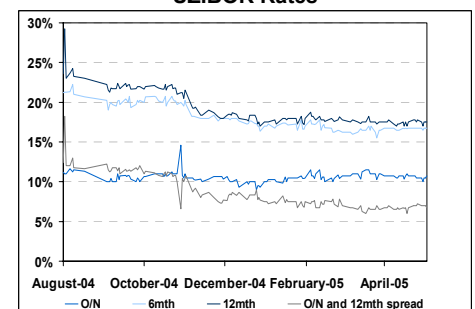
Refinancing rate of CB RU	16,00
UZIBOR (12 months)	17,50
AWACRI*	23,87

* - Avesta Weighted Average Coupon Rate Index

Corporate Bond Coupon Rates



UZIBOR Rates



Sources: Avesta Research, Central Bank of RU, Uzbekistan Banking Association

Main macroeconomic indicators of Uzbekistan (2000-2004)

Indicators	2000	2001	2002	2003	2004
GDP, trln. soum	3.25	4.92	7.45	9.84	12.2
Real GDP growth, %	3.8	4.2	4.0	4.4	7.7
State budget execution, % to GDP (-def./+prof.)	-1.0	-1.0	-0.8	-0.4	-0.4
Foreign trade turnover, billion USD	6.2	6.3	5.7	6.7	8.7
Inflation (CPI), %	-	-	-	3.8	3.7

Source: State Statistics Committee, Avesta Research

Today

Coupon payments on corporate bonds:

CJSC «Shark Telekom» (198 mln. soum) 5th coupon payment

- coupon rate – 27%
- amount of coupon payment – 13.365 mln. soum

JSC «Marvel Juice Co.» (400 mln. soum) 4th coupon payment

- coupon rate – 25%
- amount of coupon payment – 25 mln. soum

Upcoming events calendar

May 21: Maturity of the JSC «Toshkent Yog'-Moy Kombinati» 1st Corporate Bonds (CB) issue.

May 22: Payment of the 6th coupon of the 1st CB issue of JSC «Galenika» is expected.

May 23: Payments of the 2nd coupon of the 1st CB issue of JSC «Uzplodovoshvinprom-holding» and 2nd coupon of the 1st CB issue of «ELSUT Cotton Production» are expected.

May 26: Payment of the 6th coupon of the 2nd CB issue of CJSC «Karvon Bozori» is expected.

May 25–27: International exhibition «Cotton & Silk World – 2005» will be held in Uzexpocentre, Tashkent.

IMF recommends to deepen economic reforms

International Monetary Fund (IMF) held a video-conference from Washington for Uzbek mass media representatives and diplomatic missions on 18th May, 2005, was reported by the national agency «UZA».

IMF provided a detailed report on the forecasts of world economic development, in particular, on economies of Eastern Europe and Central Asian countries. According to the Fund, considerable achievements of Uzbekistan recently were:

- introduction of currency convertibility on current account operations, which enabled development of foreign economic activities;
- successful advances in developing private farming, which encouraged agricultural production;
- significant consolidation of the state budget in 2004.

All mentioned above has positively influenced the state of national economy. The Fund stated, that in 2004 Uzbekistan has achieved high rates of GDP growth in amount of 7.7%, strengthened its foreign trade balance and endowed progress in tax-budget area. Besides, IMF positively perceives reforms in the banking sector.

IMF experts believe that Uzbek economy has a solid growth potential and in order to keep current rate of economic growth and low inflation, the Government should intensify further reforms in all spheres, especially vital is liberalization of external and internal trade system. IMF estimates higher economic growth in next years, if the country will keep consequent paces in improving and intensifying reform course.

A new entrant in the local insurance market

Newly established company «Asia Inshurans» LLC received from Ministry of Finance of the Republic of Uzbekistan a license permitting rendering services in the field of general insurance informs «Uzreport.com».

As said by the managing director Rustam Mamedov, contributed statutory capital of the insurance company «Asia Inshurans» makes up \$150 000 equivalent in local currency - soum, and company is planning to increase the share capital to to \$500 000.

According to the insurance legislation of Uzbekistan minimum size of a statutory fund of companies, specializing in area of general insurance must be equal to the equivalent amount \$150 000.

Commentary: Now there will be 25 insurance firms operating in Uzbekistan. Four of them are with partial state ownership, six are joint ventures, one company with 100% foreign capital.

Exhibition «World of cotton and silk – 2005» will be held in Tashkent

Within the scope of international conference "Cotton and Textile – basis for economic growth in Central Asia" there will be held an international exhibition "Cotton & Silk World – 2005" from 25 to 27th May in Tashkent, informed "Uzreport.com".

First of two sections – "Cotton" – will embrace full agricultural cycle, related to the cultivation and processing of cotton. Second section – "Silk" – will familiarize with spinning and textile machinery, equipment for knitting etc.

Commentary: Currently, Uzbekistan is world's 5th largest producer and 2nd largest exporter of cotton fiber. As reported earlier, the crop of raw cotton in Uzbekistan in 2004 increased by 23,7% in comparison to 2003 up to 3,54 mln. tons. Forecast for current year is around 3,6 mln. tons. Production of cotton fiber in 2005 may grow by 5-6% versus 2004 and reach about 1,035 mln. tons. Growth of silk production industry in Uzbekistan for 2004 made up 4%, while export of silk threads comprised \$16,3 mln. (+35,6%).

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