

Avesta Research

UZBEKISTAN DAILY

Business update

25 May 2005

Main economic events

- Uzbekistan increased cotton output for 4 months by 25%**
 According to the data of State Statistics Committee of RU, cotton fiber output in Uzbekistan in Jan-April 2005 reached 531.7 kt compared to 425.7 kt for the same period of 2004.
- Uzbekistan increased steel production to 217 kt**
 Steel production in Uzbekistan grew in Jan-Apr 2005 by 19.3% to 217 kt compared to the same period of 2004.
- VimpelCom might get Buztel and Uzmacom**
 Alfa Telecom Vice President Kirill Babayev said that VimpelCom might get Alfa assets in Uzbekistan to manage.
- National Bank FEA is well-placed in international banking rating**
 National Bank FEA of the Republic of Uzbekistan (NBU) entered into the number of 100 biggest banks of Central and Eastern Europe, Russia and Central Asia, taking 23rd place.
- Uzbekinvest obtained a license for rendering all 17 insurance classes**
 National Export-Import Insurance Company Uzbekinvest received a license, enabling to render services on all 17 classes, accepted in Uzbekistan, in the field of general insurance.

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

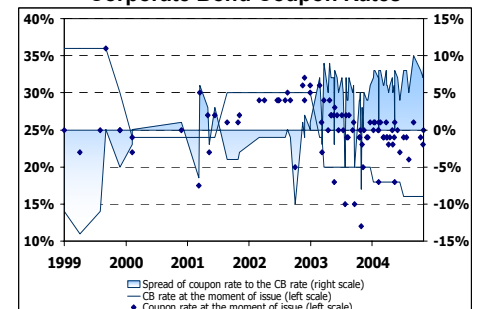
	24.05.2005	17.05.2005
1 USD	1099.73	1097.02
1 EUR	1381.70	1381.92
1 GBP	2009.87	2025.65
10 JPY	101.87	101.93
1 RUR	39.32	39.29

Key interest rates in national currency as of 25.05.2005 (in % per annum)

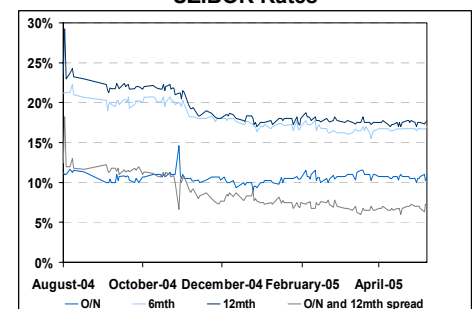
Refinancing rate of CB RU	16,00
UZIBOR (12 months)	17,50
AWACRI*	23,87

* - 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

Start of international exhibition "Cotton & Silk World – 2005" in Uzexpocentre, Tashkent.

Coupon payments on corporate bonds are not expected

Upcoming events calendar

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.

May 27: Maturity of the 2nd CB issue of **JSC "Osioy Vest"**.

May 27: Payment of the 7th coupon of the 1st CB issue of **CJSC "Karvon Bozori"** is expected.

May 29: Payment of the 3rd coupon of the 1st CB issue of **"Polifleks"** is expected.

Uzbekistan increased cotton output for 4 months by 25%

According to the data of State Statistics Committee of RU, cotton fiber output in Uzbekistan in Jan-April 2005 reached 531.7 kt compared to 425.7 kt for the same period of 2004, informed "Reuters".

Without consideration of seasonal frequency, cotton-cleaning plants produced in 2004 976.6 kt in comparison to 945.5 kt in 2003.

As reported earlier by Agency for Foreign Economic Affairs of RU (AFER) high crops of cotton in autumn last year (3.53 Mt of raw cotton versus 2.86 Mt in 2003) after its processing may facilitate an increase in total production of cotton fiber in the season 2004/05 up to 1.15 Mt from 890 kt in 2003/04.

Statistics Committee figures show that in 2004 export of cotton fiber brought the country \$876.1 mln. or 18.1% of all hard currency receipts. In 2004 this figure made up \$739.1 mln. or 19.8% of total export.

Uzbekistan increased steel production to 217 kt

Steel production in Uzbekistan grew in Jan-Apr 2005 by 19.3% to 217 kt compared to the same period of 2004, reported "Prime-TASS" with the reference to the data of State Committee on Statistics (SCS).

In particular, steel production in joint-stock manufacturing amalgamation "Uzbek metallurgy enterprise" (Uzmetkombinat) in Bekabad (Tashkent region) grew by 22.4% to 212.5 kt. Rolled ferrous metal on the enterprise increased by 23.6% and comprised 207.5 kt, including production of profiled rolled metal by 18.6% up to 181.1 kt.

"Uzmetkombinat" is the only ferrous metal enterprise that works on a scrap metal in Central Asia. The company plans to launch exploitation of iron-ore deposit "Surenat" in Tashkent region valued \$41.5 mln. The project envisages building an ore mining enterprise and concentrating mill for production of iron-ore concentrate on the basis of the deposit towards the end of 2005.

VimpelCom might get Buztel and Uzmacom for management

Alfa Telecom plans to sell Kyrgyz cellular operator Bitel to Russia's second- largest (after MTS) operator VimpelCom, Alfa Telecom's managing director Pavel Kulikov announced at a press conference in Moscow recently, "Interfax" informed.

Kulikov said, that only after Alfa takes full control over Bitel, it will be sold to VimpelCom. Besides, Alfa Telecom Vice President Kirill Babayev said that VimpelCom also might get Alfa assets in Uzbekistan to manage. As to Mr. Babayev, Alfa Telecom has acquired two mobile operators in the country: Buztel (GSM-900 in Tashkent) and the joint venture Uzmacom (GSM-900). The purchase of the former has been completed, while that of the latter will be wrapped up soon, he added.

Babayev noted that these deals are of strategic importance for Alfa and they are working through a program for developing these companies right now.

National Bank FEA is well-placed in international banking rating

According to the rating of respected international banking magazine "The Banker" (May edition, 2005), National Bank FEA of the Republic of Uzbekistan (NBU) entered into the number of 100 biggest banks of Central and Eastern Europe, Russia and Central Asia, taking 23rd place, was reported on the website of NBU.

Within the scope of credit lines of international financial institutions, banks and some export-crediting agencies, NBU accepted for financing 142 projects valued by \$404.5 mln. Capital of NBU makes up more than 50% of the aggregate capital volume of banking system of Uzbekistan, while assets – more than 60%.

Uzbekinvest obtained a license for rendering all 17 insurance classes

Last week National Export-Import Insurance Company Uzbekinvest received a license, enabling to render services on all 17 classes, accepted in Uzbekistan, in the field of general insurance, was reported by *Uzreport.com*. This license includes insurance class 4 (railway vehicles insurance), class 6 (marine insurance), class 12 (responsibility insurance in frame of marine insurance) and class 17 (insurance of legal protection costs).

Insurance of costs, arising from legal protection might be demanded by small and private entrepreneurs together with rendering legal assistance services that is main sphere of activity for "Uzbekinvest Assistance".

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