

## Avesta Research

### UZBEKISTAN DAILY

## Business update

1 June 2005

### Main economic events

- Investment potential of construction industry**  
 A presentation "Investment potential of development of construction materials industry in Uzbekistan", organized by JSC "Uzstroyaterialy" and AFER was held in international business-centre.
- Traders await stability of butane-propane gas market**  
 Starting from the middle of April the supply of butane-propane gas for trades at exchange distinctly decreased because of rise in quoted price for this type of fuel.
- Auction trades on RREE enjoy more popularity**  
 During trading week (23 – 27 May) at Republican Real Estate Exchange (RREE) number of arranged deals reached 430 for total amount of 385.67 mln. soum.
- Winner of tender on insurance of NAC airplanes is determined**  
 On May 31st results of tender, announced by National Air Company "Uzbekiston Havo Yullari" for insurance of Western and Eastern fleet aircrafts of the company, were summed up.
- CU "Imkon" – the best credit union in April**  
 Equity capital of CU "Imkon" makes up 54.5 mln. soum, while assets got equal to 338 mln. soum.

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

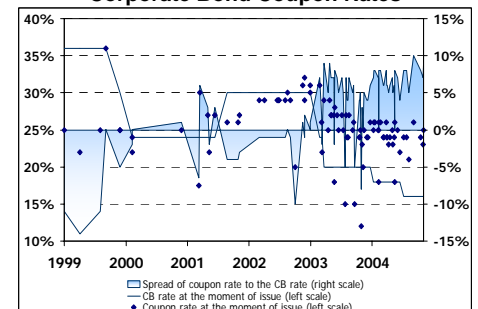
	31.05.2005	24.05.2005
1 USD	1102.59	1099.73
1 EUR	1382.54	1381.70
1 GBP	2012.12	2009.87
10 JPY	102.27	101.87
1 RUR	39.29	39.32

#### Key interest rates in national currency as of 01.06.2005 (in % per annum)

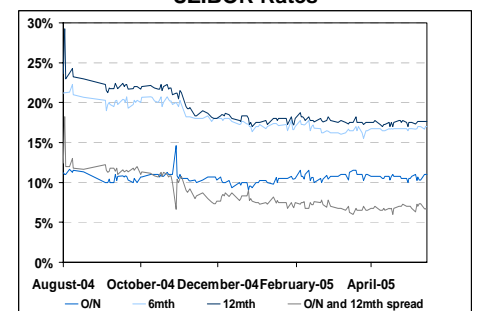
Refinancing rate of CB RU	16,00
UZIBOR (12 months)	17,67
AWACRI*	23,82

\* - 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 are not expected

### Upcoming events calendar

**June 7:** Payment of the 4<sup>th</sup> coupon of the 4<sup>th</sup> CB issue of LLC "Sovplastital" is expected.

**June 8:** Shareholders Meeting of OJSC "Foton".

**June 8:** Payment of the 2<sup>nd</sup> coupon of the 2<sup>nd</sup> CB issue of LLC "NIGSA" is expected.

**June 9:** Payment of the 7<sup>th</sup> coupon of the 1<sup>st</sup> CB issue of "BVV Business Report" is expected.

## Investment potential of construction industry

A presentation “Investment potential of development of construction materials industry in Uzbekistan”, organized by JSC “Uzstroyaterialy” and AFER was held in international business-centre, reported national agency “UzA”.

Main issues of the event were export potential of industry with regard to development of trade relations in Central Asia and foreign trade regulations. Big interest aroused during discussion of mortgage lending perspectives and available sources for financing of investment projects.

At present, JSC “Uzstroyaterialy” includes 87 large, medium and small enterprises with personnel size of 19 thousand people. In 2004 production volume exceeded \$213 mln, while export went to \$31.5 mln.

## Traders await stability of butane-propane gas market

Starting from the middle of April the supply of butane-propane gas for trades at exchange distinctly decreased because of rise in quoted price for this type of fuel, informed research depart of Uzbek Commodity Exchange (*uzex.com*).

The max quoted price of butane-propane gas has reached at 302 thousand per ton during April 20 to May 23, which is the highest price since the moment it has started trading at exchange. The reasons for shortage in supply of butane-propane gas for domestic market can be prophylactic works at gas processing plants, as well as increase in export. Since May 25, 2005, the supplies of butane-propane gas for domestic market have increased significantly, which resulted to drop in domestic quoted.

## Auction trades on RREE enjoy more popularity

During trading week (23 – 27 May) at Republican Real Estate Exchange (RREE) number of arranged deals reached 430 for total amount of 385.67 mln. soum. Out of this, 207 state-owned objects were sold for amount of 79.98 mln. soum, notified local agency «*Uzreport.com*».

During auction trades there were sold 184 state-owned objects for amount of 38.2 mln. soum. Average growth of auction sales made up 33% that indicates on rising attractiveness of auction type of sales. Main share of auction lots were 148 land areas for house-building with further inherited life tenure.

## Winner of tender on insurance of NAC airplanes is determined

On May 31<sup>st</sup> results of tender, announced by National Air Company “Uzbekiston Havo Yullari” for insurance of Western and Eastern fleet aircrafts of the company, were summed up. The winner of this tender became insurance company “Standard Insurance Group”, reported “*Uzreport.com*”.

Prior to this tender, insurance of aircrafts was carried out by other insurance company «UVT Inshurans», who won the tender last year. Time period of insurance is set for 12 months and for Western fleet of the airway company, it is from 15<sup>th</sup> June 2005 to 14<sup>th</sup> June 2006. Insurance time for Eastern fleet – from 12<sup>th</sup> July 2005 to 11<sup>th</sup> July 2006.

Currently, “Uzbekiston Havo Yullari” runs 16 aircrafts of western production. Last year aircrafts of NAC “Uzbekiston Havo Yullari” transported 1.6 mln. passengers and almost 27 Kt cargo.

## CU “Imkon” – the best credit union in April

This week credit union “Imkon” held their Shareholders meeting, informed «*Uzreport.com*». During the meeting participants- members of the union became aware of detailed report of CU’s commercial activity in 2004, as well as a new business-plan for 2005 was approved.

By the end of 2004 number of union’s members increased from 65 to 105 individuals and legal entities. Net profit of the union made up 408 000 soum. Volume of credit portfolio reached 46.4 mln. soum, while of a deposit one – 41.7 mln. soum. According to the management of the union, due to dynamic activity of the CU and diversification of its credit and saving products, total value of credits rendered from the beginning of its work made up 307 mln. soum. Equity capital of CU “Imkon” makes up 54.5 mln. soum, while assets got equal to 338 mln. soum.

With the purpose of increasing quality of rendered services CU “Imkon” signed a memorandum of cooperation with the Rep office of World Council of Credit Unions - WOCCU. The representative office of WOCCU determines best credit union by results of each month. Thus, CU “Imkon” was found as the best credit union of Uzbekistan in April.

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